

THE ENERGY OUTLOOK

The Case for Strategic Transmission Procurement

AUGUST 2026

Contents

The Energy Outlook	2
Executive Summary	3
Why Competitive Procurement Matters Now	6
Positioning Ontario as a Competitive Destination for Infrastructure Investment	11
Evidence from Comparable Jurisdictions	12
Time-to-Connect as a Competitiveness Issue	13
The Strategic Value of Competitive Procurement	16
Improving Delivery Performance and Schedule Certainty	17
Strengthening Risk Allocation and Execution Capability	18
Building Domestic Capability and Supply Chain Resilience	21
Complementing Ontario's Existing Transmission Sector	22
Avoiding "Robbing Peter to Pay Paul"	23
Indigenous Partnerships as a Key Procurement Outcome	25
Rethinking Evaluation Criteria: From Lowest Cost to Highest Value	27
Recognizing the Economic Value of Time	28
Strengthening the Transmitter Selection Framework	29
Competitive Procurement as an Execution Discipline	30



FOREWORD

The Energy Outlook

**Powering Competitiveness.
Enabling Growth.
Executing at Scale.**

The Energy Outlook is a Toronto Region Board of Trade executive briefing series that examines how energy policy, infrastructure, mining and resources, markets, and industrial strategy shape Ontario's competitiveness.

The series provides practical insights for the business community with a focus on execution, reliability, affordability, and growth.



Executive Summary

Ontario is entering the largest period of electricity transmission expansion in decades. Surging demand from electrification, advanced manufacturing, critical minerals, housing growth, greenhouse agriculture, and data centres is placing unprecedented pressure on a transmission system designed for incremental growth rather than rapid expansion. Transmission infrastructure is strategic economic infrastructure that will determine Ontario's ability to attract investment, create jobs, and remain globally competitive.

This growth is already underway through the Toronto Third Line project, Ontario's first competitively procured underwater high-voltage direct current (HVDC)¹ transmission project. This project illustrates how strategic transmission investments support reliability, economic growth, and increased delivery capability simultaneously. Recognizing the role of incumbent transmitters in delivering one of the most reliable electricity systems in North America, as Ontario now seeks to leverage competitive procurement for selected major transmission projects, the objective should not be competition for its own sake. Rather,

competitive procurement should be used as a strategic tool where project characteristics, technical complexity, policy objectives, or market conditions warrant its use, to improve execution, accelerate delivery, strengthen accountability, and expand the province's long-term transmission delivery capacity. The success of the framework will ultimately be measured by whether it enables projects to be delivered faster, with greater certainty, and with stronger economic outcomes for Ontario.

The report argues that procurement decisions should continue to emphasize cost-effectiveness for electricity customers through a broader assessment of lifecycle value, rather than focusing solely on upfront capital cost. While cost-effectiveness for electricity customers remains fundamental, evaluation should also recognize delivery certainty, execution capability, financing certainty, supply chain resilience, workforce readiness, Indigenous partnerships, and the economic value of earlier project energization. Delays to transmission infrastructure increasingly carry significant economic costs through deferred or lost industrial investment.

This approach is broadly consistent with the Ontario Energy Board's existing regulatory framework, which evaluates regulated transmission investments based on cost-effectiveness for ratepayers, including consideration of lifecycle costs and, following amendments to the OEB's Filing Requirements in December 2025, broader economic benefits where appropriate.² Competitive procurement should therefore complement Ontario's existing designation framework, recognizing that some future transmission investments may continue to be delivered successfully through incumbent transmitters where this remains the most appropriate approach.

Experience from competitive transmission markets across North America demonstrates that well-designed competitive procurement can improve delivery performance while maintaining or reducing lifecycle costs. Jurisdictions such as Midcontinent Independent System Operator (MISO), Southwest Power Pool (SPP), ISO New England, and California Independent System Operator (CAISO) have shown that competitive procurement can strengthen project discipline, reduce execution risk, and deliver infrastructure on equal or shorter timelines than traditional delivery models. These outcomes reflect procurement frameworks that reward credible schedules, proven execution capability, effective risk management, and contractual accountability, not simply the lowest bid.

Ontario should therefore design its procurement framework around six complementary objectives:

These outcomes reflect procurement frameworks that reward credible schedules, proven execution capability, effective risk management, and contractual accountability, not simply the lowest bid.

1 Faster time-to-connect while maintaining value for electricity customers, through procurement models that reward accelerated delivery, establish enforceable project milestones, and strengthen accountability for schedule performance.

2 Greater execution certainty, through robust project planning, credible construction sequencing, demonstrated supply chain readiness, balanced commercial risk allocation, and proven delivery and long-term operational capability.

3 Meaningful Indigenous partnership, through early engagement, procurement opportunities for Indigenous businesses, workforce development, long-term economic opportunities, and, where appropriate, Indigenous equity ownership.

4 Greater cost certainty and lifecycle value, recognizing both efficient project delivery and long-term value for electricity customers, through procurement models that consider whole-of-life asset performance, efficient risk allocation, and value for electricity customers over the full life of the asset.

5 Expanded delivery capacity, by embedding workforce development, productivity improvements, labour mobility, and organizational capability into procurement evaluation.

6 Stronger domestic industrial capacity and economic value creation, through Ontario supply chain participation, manufacturing capability, technology development, and long-term investment in strategic energy industries.



The report emphasizes that competitive procurement should complement—not replace—Ontario’s existing transmission sector. Incumbent transmitters have built one of North America’s most reliable electricity systems and will remain essential partners in planning, operations, and long-term asset stewardship. Competitive procurement should instead broaden Ontario’s delivery ecosystem by attracting additional capital, specialized expertise, engineering capacity, and execution capability while reinforcing system reliability and customer value.

A central theme throughout the report is that Ontario must avoid simply redistributing scarce labour and construction resources between projects. Procurement should instead reward proponents that demonstrate credible plans to expand the skilled workforce, invest in apprenticeships, improve productivity, and strengthen supply chains. In this way, procurement

becomes a strategic lever for building long-term provincial capacity rather than merely allocating existing resources.

The report also identifies Indigenous economic participation as a core procurement outcome. Building on successful initiatives such as Hydro One’s Indigenous Equity Partnership Model,³ Ontario should make Indigenous ownership, procurement opportunities, workforce participation, and long-term economic partnerships integral components of competitive transmission procurement.

Finally, the report concludes that Ontario’s competitive advantage will depend not simply on building more transmission infrastructure, but on building it more effectively. Procurement, planning, and execution must work together to deliver infrastructure that supports investment, improves time-to-connect, strengthens industrial competitiveness, and enables long-term economic growth.



Why Competitive Procurement Matters Now

Ontario's electricity system is entering a period of unprecedented investment, sustained electricity demand growth, and significant economic opportunity.⁴ At the same time, the scale, pace, and geographic concentration of emerging demand are increasing the importance of execution certainty, delivery speed, workforce capacity, and timely customer connections as determinants of Ontario's long-term competitiveness. Electrification, population growth, advanced manufacturing, greenhouse-based agriculture, and data-intensive industries are all converging on a transmission system originally planned for incremental expansion rather than rapid, regionally concentrated load growth.

Transmission will remain a regulated electricity asset. Increasingly, however, it also functions as strategic economic infrastructure that enables investment, industrial development, housing, electrification, and long-term competitiveness. How Ontario plans, designates, and procures new transmission infrastructure will directly influence investment confidence, regional competitiveness, and domestic value creation.⁵ The Toronto Third Line provides an early example of how these objectives converge in practice, supporting the continued growth of Canada's largest urban economy while testing a new competitive procurement approach for major transmission investments.

As Ontario develops its competitive Transmitter Selection Framework, the opportunity exists to design a model that advances six complementary policy outcomes. Collectively, these outcomes also support a broader objective: expanding Ontario's transmission delivery ecosystem by enabling multiple qualified transmitters to participate in meeting the province's long-term infrastructure requirements.

- 1 Faster time-to-connect while maintaining value for electricity customers**, through procurement models that reward accelerated delivery, establish enforceable project milestones, and strengthen accountability for schedule performance.

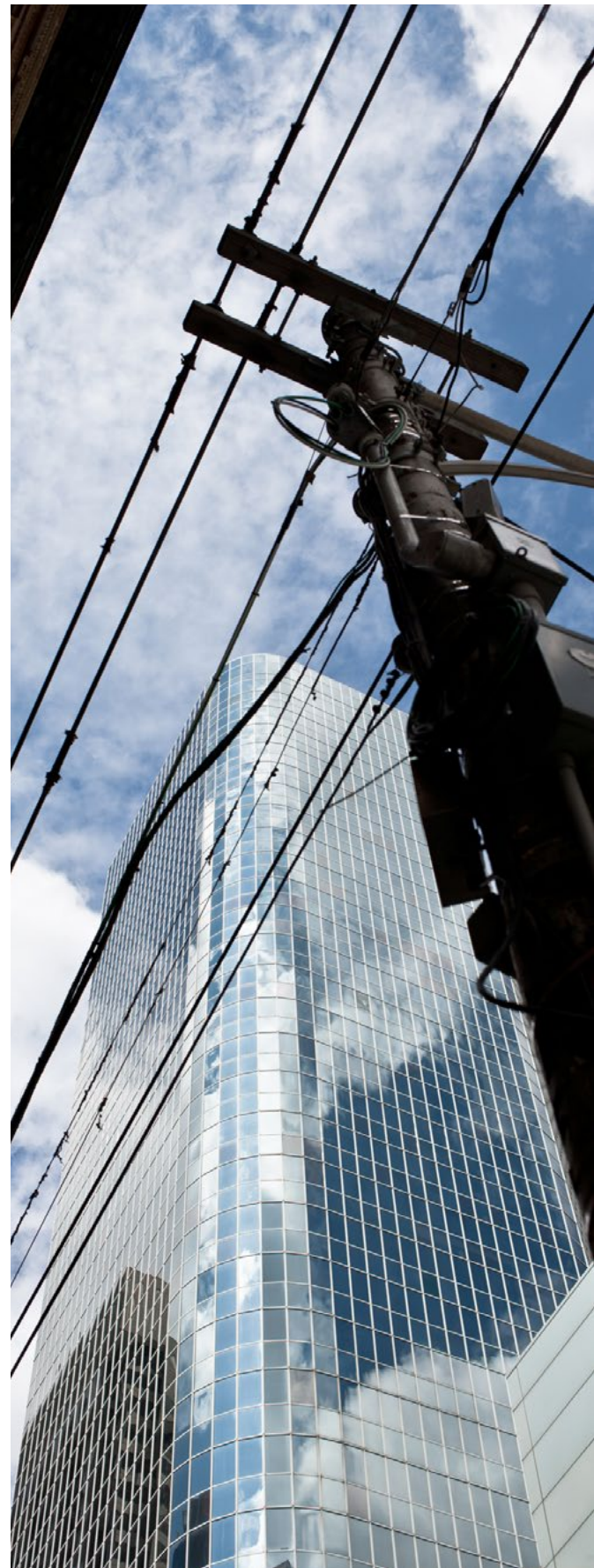
- 2 Greater execution certainty**, through robust project planning, credible construction sequencing, demonstrated supply chain readiness, balanced commercial risk allocation, and proven delivery and long-term operational capability.

- 3 Meaningful Indigenous partnership**, through early engagement, procurement opportunities for Indigenous businesses, workforce development, long-term economic opportunities, and, where appropriate, Indigenous equity ownership.

- 4 Greater cost certainty and lifecycle value, recognizing both efficient project delivery and long-term value for electricity customers**, through procurement models that consider whole-of-life asset performance, efficient risk allocation, and value for electricity customers over the full life of the asset.

- 5 Expanded delivery capacity**, by embedding workforce development, productivity improvements, labour mobility, and organizational capability into procurement evaluation.

- 6 Stronger domestic industrial capacity and economic value creation**, through Ontario supply chain participation, manufacturing capability, technology development, and long-term investment in strategic energy industries.



Ontario's shift toward competitive procurement for select transmission projects reflects a growing recognition of these pressures. However, the benefits of competition will only be realized if procurement frameworks are designed to accelerate delivery, reduce execution risk, and strengthen Ontario's economic and industrial capacity, rather than merely reallocating scarce resources across projects.

These objectives should not be interpreted as carrying equal weight across every procurement. Rather, the relative weighting of evaluation criteria should reflect the specific policy and project objectives associated with each transmission investment. For example, projects intended to relieve immediate capacity constraints may appropriately place greater emphasis on schedule certainty and time-to-connect, whereas projects intended to strengthen long-term system resilience may place relatively greater weight on lifecycle value, Indigenous partnerships, or domestic capability development.

Ontario's shift toward competitive procurement for select transmission projects reflects a growing recognition of these pressures.⁶ However, the benefits of competition will only be realized if procurement frameworks are designed to accelerate delivery, reduce execution risk, and strengthen Ontario's economic and industrial capacity, rather than merely reallocating scarce resources across projects. Ultimately, procurement should be structured to improve affordability through competitive pricing, contractual cost certainty, and reduced lifecycle costs while strengthening delivery performance.

Competitive procurement should not be viewed as a trade-off between affordability and execution.⁷ Evidence from North American transmission markets

increasingly demonstrates that well-designed competitive procurement can deliver infrastructure both earlier and at lower lifecycle cost than traditional delivery approaches.⁸ Although certain project features - including enhanced Indigenous participation, domestic supply-chain development, or workforce investments - may increase specific bid costs, these should be evaluated within a broader lifecycle framework that considers binding commercial commitments, schedule certainty, avoided overruns, reduced delay, and the economic value of earlier project energization.⁹

Historically, Ontario's transmission system has been expanded through a combination of incumbent utility investment, long-term system planning, and coordinated regulatory oversight. This approach has delivered one of the most reliable electricity systems in North America and has supported decades of economic growth, industrial development, and population expansion.¹⁰ However, with the IESO forecasting substantial electricity demand growth over the coming decades, driven by electrification, population growth, and data centres, the scale, pace, and geographic concentration of this growth require Ontario to build on these established strengths with procurement approaches that place greater emphasis on delivery speed, execution certainty, workforce capacity, and infrastructure scalability.¹¹

The challenge is not that Ontario's existing institutions have been unsuccessful, but that they are increasingly being asked to deliver under fundamentally different economic and system conditions than those for which many existing planning and delivery processes were originally designed.

Depending on project complexity, regional system conditions, and required network reinforcement, major customer connection timelines can extend over multiple years, creating uncertainty before accounting for construction complexity, permitting risk, or supply-chain constraints.¹² For electricity-intensive industries, uncertainty around when capacity will become available has become a deterrent to investment.

GUIDING PRINCIPLE: EVALUATING LIFECYCLE AND ECONOMIC VALUE

Ontario's [Transmitter Selection Framework](#) should evaluate projects based on cost-effectiveness for electricity customers through a lifecycle value lens that extends beyond upfront capital cost. While capital cost remains an important consideration, procurement decisions should recognize the full economic consequences of infrastructure delivery and long-term system performance.¹³

A lifecycle value approach considers:

- Capital cost
- Delivery certainty and execution capability
- Schedule risk and time-to-connect
- Financing efficiency and commercial certainty
- Change-order exposure and risk allocation
- Supply-chain resilience and workforce readiness
- Construction productivity and delivery performance
- Delay costs and avoided system impacts
- The economic value of earlier project energization

This reflects the approach taken by sophisticated infrastructure investors, lenders, pension funds, and project sponsors, who assess long-lived infrastructure assets based on lifecycle performance, risk-adjusted value, and delivery certainty, not simply lowest upfront cost.¹⁴

A lifecycle approach is also consistent with the OECD Recommendation on the Governance of Infrastructure, which calls on governments to adopt a whole-of-government approach to infrastructure investment across the entire asset lifecycle.¹⁵ The OECD emphasizes that infrastructure decisions should optimize long-term value for money, resilience, evidence-informed decision-making, and effective risk management throughout the planning, procurement, delivery, operation, and renewal of infrastructure assets, rather than focusing narrowly on lowest initial cost.

This principle is also consistent with the economic mandate established through [Bill 40, Protecting Ontario by Securing Affordable Energy for Generations Act, 2025](#) which positions electricity infrastructure as a foundational driver of economic growth and provincial competitiveness. Procurement evaluation frameworks should therefore extend beyond initial project cost to consider the full economic value of timely transmission delivery. This includes accelerated customer connections, increased investment certainty, improved system productivity, and the broader economic benefits associated with enabling industrial development, electrification, housing, and long-term prosperity.

Taken together, these considerations recognize the strategic role that transmission infrastructure plays in supporting Ontario's long-term economic priorities.

This challenge is compounded by connection processes that may require upfront deposits and study payments, placing capital at risk well before there is certainty that upstream transmission will be delivered within commercially relevant timelines.¹⁶ While upstream transmission availability is frequently a critical determinant of customer energization, overall connection timelines depend on multiple interrelated factors,¹⁷ including local distribution

system readiness, customer project readiness,¹⁸ connection assessment processes, permitting and regulatory approvals, municipal infrastructure, and, where applicable, the availability of complementary infrastructure such as natural gas, transportation, water, and wastewater services. Improving time-to-connect therefore requires coordination across the full infrastructure delivery ecosystem rather than any single component of the electricity system.

GUIDING PRINCIPLE: PLANNING, PROCUREMENT, AND EXECUTION EACH PLAY A DISTINCT ROLE

Ontario's ability to expand transmission depends on three complementary functions that together support a reliable, affordable, and competitive electricity system.

SYSTEM PLANNING

Led by the Independent Electricity System Operator (IESO) in collaboration with transmitters, local distribution companies, Indigenous communities, government, and other stakeholders, long-term system planning identifies future electricity needs, evaluates system requirements,¹⁹ and establishes the transmission investments required to maintain system reliability while supporting Ontario's continued economic growth.

PROCUREMENT

Procurement determines how transmission projects are delivered by establishing transparent evaluation frameworks, allocating risks to the parties best positioned to manage them, selecting qualified proponents, and creating incentives for execution excellence.²⁰ As Ontario advances competitive transmission procurement, the IESO's ongoing development of the Transmitter Selection Framework provides an opportunity to reinforce these principles while supporting transparency, competition, and long-term value for electricity customers.

PROJECT EXECUTION

Project execution determines whether transmission infrastructure is ultimately delivered safely, reliably,

and on schedule, while achieving its intended lifecycle, customer, and economic outcomes. Successful execution depends on disciplined project delivery and effective risk management.

These functions are distinct but fundamentally interdependent. Effective long-term planning provides the foundation for successful procurement, while well-designed procurement supports disciplined project execution. Together, they enable Ontario to deliver the transmission infrastructure needed to support electrification, housing, industrial investment, and long-term competitiveness.

This paper focuses primarily on the procurement and execution dimensions of transmission development while recognizing that these functions operate within Ontario's established planning framework and are intended to compliment the IESO's central role in identifying future system needs.

ONTARIO IN PRACTICE: THE TORONTO THIRD LINE

The Toronto Third Line represents Ontario's first competitively procured transmission project under the province's evolving procurement framework.²¹ The project demonstrates how competitive procurement is being applied to strategically important infrastructure that supports reliability in the Greater Toronto Area while enabling continued economic growth, electrification, and urban development. As implementation proceeds, lessons learned from the project will help inform future competitive transmission procurements across the province.



Positioning Ontario as a Competitive Destination for Infrastructure Investment

Competitive procurement is often viewed primarily as a mechanism through which governments select proponents. Equally important, however, is its role in ensuring that Ontario remains an attractive destination for the world's leading transmission developers, infrastructure investors, and engineering firms.

Ontario is increasingly competing with jurisdictions across North America for specialized transmission expertise, engineering capacity, HVDC technology, construction resources, and private investment capital. Firms capable of delivering complex transmission infrastructure have finite development capacity and allocate resources toward markets that provide commercial certainty, transparent procurement processes, balanced risk allocation, and predictable regulatory frameworks.²²

A procurement framework that imposes disproportionate risks, lacks clarity around evaluation criteria, or provides insufficient revenue certainty can discourage participation by qualified proponents. International experience demonstrates that poorly allocated project risks and policy

uncertainty increase investor caution, reduce competitive participation, raise financing costs, and ultimately diminishing value for customers.²³

Well-designed procurement therefore serves two complementary purposes. First, it identifies the strongest project proposal. Second, it creates an investable market capable of attracting world-class infrastructure developers. Competitive procurement therefore is not simply a project delivery mechanism; it is also a market signal regarding Ontario's long-term attractiveness as a jurisdiction for infrastructure investment. The Toronto Third Line sends an important market signal that Ontario intends to compete for globally experienced HVDC developers capable of delivering technically complex infrastructure.

As global demand for transmission infrastructure continues to accelerate, jurisdictions that provide transparent procurement, balanced commercial frameworks, and predictable regulatory environments are increasingly better positioned to attract scarce private capital and specialized delivery capability.²⁴



Evidence from Comparable Jurisdictions

Emerging evidence from mature North American transmission jurisdictions suggests that well-designed procurement frameworks can improve both delivery performance and cost outcomes, with recent analysis of completed transmission projects across multiple regional electricity markets in the United States finding that competitively procured greenfield transmission facilities frequently reached service on timelines that were equal to or shorter than comparable incumbent-developed projects.²⁵ Notably, these outcomes were achieved despite the addition of a formal solicitation and evaluation process, challenging the assumption that competition inherently introduces delay.

In jurisdictions including the Midcontinent Independent System Operator (MISO), the Southwest Power Pool (SPP), ISO-New England, and the California Independent System Operator (CAISO), competitively procured projects were delivered on timelines that were either shorter than or broadly comparable to incumbent-developed alternatives. In several cases, competitive projects entered service ahead of their originally scheduled in-service dates, while incumbent projects experienced material schedule extensions.²⁶

These outcomes reflect more than the benefits of competition alone. Competitive proponents are typically required to demonstrate credible construction schedules, permitting and rights-of-way strategies, supply-chain readiness, financing

certainty, project management capability, and risk mitigation plans as part of the bid evaluation process.²⁷ This creates strong incentives to identify critical path risks early, establish realistic delivery commitments, and develop implementation strategies capable of withstanding regulatory, construction, and market-related challenges.

Taken together, these findings suggest that the principal value of competition may extend beyond cost containment. For governments, regulators, and customers, the greater benefit may be improved execution discipline, stronger schedule certainty, and faster delivery of infrastructure needed to support economic growth, electrification, housing development, and industrial investment.

Competitive procurement should be evaluated not solely on its impact on project costs, but on its ability to improve execution performance and accelerate the delivery of growth-enabling infrastructure. In a period of rapid load growth, increasing electrification, and intensifying competition for investment capital, the economic cost of delay may exceed marginal differences in construction cost. **One of the principal advantages of well-designed competitive procurement may therefore lie not simply in building transmission at lower cost, but in building it with greater certainty and delivering capacity to customers when it is needed most.**



Time-to-Connect as a Competitiveness Issue

The economic cost of delayed electricity infrastructure delivery and customer energization is experienced by firms making investment decisions under conditions of uncertainty.

In regions such as Windsor-Essex, rapid growth in greenhouse agriculture and related agri-food processing has generated extraordinary increases in electricity demand, with documented requests approaching 900 MW in a single planning cycle.²⁸ This level of demand is both a signal of regional economic strength and a stress test of the system's ability to respond.

While regional planning processes led by the Independent Electricity System Operator (IESO), in partnership with transmitters and local distribution companies (LDCs), have identified these growth requirements and advanced transmission and distribution reinforcement solutions, the period between demand emergence, infrastructure planning, regulatory approvals, construction, and customer energization can remain significant.

Planning assumptions necessarily rely on projects that have reached sufficient levels of certainty through regional planning and connection processes. As a result, prospective industrial loads that remain in earlier stages of investment may not yet be fully reflected in transmission planning assumptions.²⁹ This creates a risk that transmission infrastructure may evolve more incrementally than emerging economic opportunities require, particularly where prospective industrial investments have not yet advanced sufficiently through connection and planning processes.³⁰

Prospective industrial loads that remain in earlier stages of investment may not yet be fully reflected in transmission planning assumptions.

For customers in high-growth regions, this gap translates into prolonged uncertainty regarding whether, when, and at what cost electricity capacity will become available.



Consistent with this observation, Hydro One argued in its submission to *Ontario's Affordable Energy Future* consultation that planning must evolve from a reactive model toward a more anticipatory, growth-enabling approach. Specifically, Hydro One recommends more continuous planning in high-growth regions, greater use of scenario-based forecasting, and strategic pre-investment in transmission infrastructure to ensure the electricity system does not become a barrier to Ontario's growth and prosperity.³¹ These recommendations reinforce the importance of planning approaches that consider both committed demand and credible indicators of future economic growth when identifying transmission needs.

For customers in high-growth regions, this gap translates into prolonged uncertainty regarding whether, when, and at what cost electricity capacity will become available. During this period, firms are often required to commit capital, secure land, negotiate commercial agreements, establish supply chains, and make long-term investment decisions without certainty regarding the availability of electricity service.

This uncertainty functions as a hidden competitiveness cost for prospective investors, borne disproportionately by firms prepared to invest and grow. Businesses are effectively asked to internalize risks arising not from market conditions, technology choices, or operational performance, but from the timing and sequencing of infrastructure delivery across multiple components

of the electricity system, including transmission, transformation, distribution, and customer connection processes.

In some cases, these risks are formalized through deposits or contingent commitments tied to prospective connections, requiring firms to put capital at risk today in exchange for the possibility of future service.

For many customers, the critical issue is not whether an infrastructure solution has been identified within a planning process, but when electricity capacity will ultimately become available and whether that timeline aligns with commercial investment requirements.

Over time, these dynamics shape investment behaviour. Projects may be deferred, downsized, or redirected to jurisdictions offering clearer timelines and greater certainty even where Ontario's underlying advantages – such as labour, land, and market access – remain strong.

Time-to-connect has therefore become more than a technical or operational metric; it is increasingly a defining factor in regional competitiveness, investment attraction, industrial growth, and economic development. As electricity availability becomes a more significant determinant of site selection and capital allocation decisions, improving transparency, certainty, and accountability across the connection process should be viewed as an economic competitiveness imperative.

CASE STUDY: COMPETITIVE PROCUREMENT AND DELIVERY PERFORMANCE

Evidence from North American transmission markets suggests that competitive procurement can improve delivery performance without extending overall project timelines.

In the Midcontinent Independent System Operator (MISO), the competitively procured Duff-Coleman transmission project was selected through a competitive process that evaluated cost, implementation capability, operational performance, certainty, and risk mitigation. The winning proposal was selected based on its combination of low cost, high delivery certainty, and strong risk management. Although the procurement process included a formal competitive solicitation lasting nearly one year, the project entered service approximately seven months ahead of its originally scheduled in-service date, demonstrating that competition need not impede delivery and may, in some cases, accelerate it.³²

TABLE 1: MISO COMPETITIVE TRANSMISSION PROJECT

Project Name	Need Identification to Solicitation Opening (# of Days)	Solicitation Opening to Award Length (# of Days)	In-Service Date	Initial Estimated In-Service Date	In-Service Date Delay (# of Days)	Length of Project Development Process: Completed Projects (# of Days)	Line Miles
Duff-Coleman 345 kV	29	347	6/11/2020	1/1/2021	-204	1,645	31
MISO (Average/Median)	29	347			-204	1,645	31

Source: MISO regulatory filings and tracking reports

TABLE 2: SPP COMPETITIVE TRANSMISSION PROJECTS

Project Name	Need Identification to Solicitation Opening (# of Days)	Solicitation Opening to Award Length (# of Days)	In-Service Date	Initial Estimated In-Service Date	In-Service Date Delay (# of Days)	Length of Project Development Process: Completed Projects (# of Days)	Line Miles
Wolf Creek-Blackberry	397	309	7/15/2025	1/1/2025	195	2,078	92
Sooner-Wekiwa 345 kV	30	312	10/8/2025	1/1/2026	-85	2,163	76
Minco-Pleasant Valley-Draper	189	343	1/29/2025	7/3/2024	210	1,555	48
Crossroads-Hobbs-Roadrunner Transmission Project, <i>In-Service Date as of May 2026</i>	212	312	5/15/2026	5/15/2026	0	1,571	135
SPP Average: 4 Projects	207	319	n/a	n/a	80	1,842	88
SPP Median: 4 Projects	201	312	n/a	n/a	98	1,825	84

Source: SPP regulatory filings and tracking reports

Properly designed competitive procurement can complement Ontario's existing planning and delivery framework by strengthening execution certainty, delivery accountability, and commercial discipline.

CASE STUDY (CONT'D)

A similar pattern has been observed in the Southwest Power Pool (SPP). Competitively procured transmission projects were delivered on timelines broadly comparable to incumbent-developed projects despite solicitation periods lasting approximately 10 to 11 months.³³ SPP's evaluation framework placed significant emphasis on project management capability, engineering design, rights-of-way acquisition strategies, construction readiness, and schedule performance. Several projects included contractual schedule commitments and financial penalties for delay, creating strong incentives for developers to identify delivery risks early and establish credible execution plans. Notably, the Sooner-Wekiwa 345 kV project entered service nearly three months ahead of its required in-service date following a competitive procurement process.³⁴

These examples in [tables 1 and 2](#) suggest that the primary value of competitive procurement may extend beyond cost savings alone. By rewarding certainty, specificity, execution capability, and risk mitigation alongside price, competitive procurement can function as a mechanism for improving project discipline, strengthening delivery accountability, and accelerating the provision of growth-enabling infrastructure.

The Strategic Value of Competitive Procurement

Experience across North America demonstrates that competitive procurement can improve accountability, strengthen project delivery, and expand market participation when supported by a clear regulatory framework and appropriate project selection. Although some reviews have reached differing conclusions on whether these benefits have been realized uniformly across every jurisdiction, the broader lesson is not that competition should be avoided, but that procurement frameworks should be carefully designed with appropriate project selection and evaluation criteria, to maximize long-term value for customers.³⁵

Ontario has the opportunity to learn from these experiences by developing a made-in-Ontario competitive procurement framework that builds on the strengths of its existing transmission sector while incorporating best practices from other jurisdictions. Properly designed competitive procurement can complement Ontario's existing planning and delivery framework by strengthening execution certainty, delivery accountability, and commercial discipline.

Moreover, procurement should clearly reflect project objectives. Not all transmission projects pursue identical public policy objectives. Some projects may primarily seek accelerated customer connections, while others may prioritize reliability, resilience, Indigenous partnerships, affordability, or long-term system flexibility. Procurement evaluation frameworks should therefore be calibrated to reflect the principal objectives of each project rather than applying identical weightings across all procurements.



Improving Delivery Performance and Schedule Certainty

Well-designed competitive procurement can improve schedule certainty and, in some cases, accelerate time-to-service by requiring proponents to demonstrate clarity on critical paths, long-lead procurement, permitting strategies, interface risks, and execution readiness at the outset of projects.³⁶

Transmission projects frequently involve complex permitting requirements, Indigenous consultation obligations, environmental assessments, land acquisition challenges, and engineering considerations that cannot be compressed indefinitely.³⁷ The objective should therefore be to improve execution certainty and reduce avoidable delays while maintaining the reliability, safety, and stakeholder engagement standards upon which Ontario's electricity system depends. Competitive procurement should therefore be viewed as one component of a broader transmission delivery strategy that also includes planning reform, streamlined permitting and approvals, customer connection improvements, and effective project execution.

Experience from competitive transmission jurisdictions demonstrates that these commitments can be embedded directly into procurement design.³⁸ Competitive proponents have frequently committed to, or been contractually required to accept, schedule guarantees, financial penalties for delay, cost containment commitments, and other performance obligations, depending on the design of the procurement framework. These approaches

strengthen accountability by aligning developer incentives with public policy objectives and project outcomes and reducing the risk that schedule or cost overruns are transferred to customers after contract award. Ontario's decision to pursue competitive procurement for the Toronto Third Line reflects this logic. Beyond representing Ontario's first competitively procured HVDC submarine transmission project, the project will strengthen electricity reliability for the Greater Toronto Area while supporting continued growth in Canada's largest economic region through additional transmission capacity and system resilience. As Ontario's first competitively procured HVDC submarine transmission project, the Toronto Third Line requires specialized engineering capability, marine construction expertise, sophisticated supply-chain management, and experience delivering comparable HVDC infrastructure internationally. A competitive procurement provides an opportunity to evaluate proponents based on demonstrated capability, system integration expertise, delivery experience, and the ability to coordinate safely and effectively with Ontario's existing transmission network and operational environment, while broadening the pool of qualified participants. The Toronto Third Line illustrates the opportunity for Ontario to incorporate these principles as procurement frameworks continue to evolve. In practice, however, this may require recognizing that the proposal offering the greatest overall system value may not always be the lowest evaluated cost, particularly where technical capability, delivery certainty, and specialized expertise are critical to successful project execution.



Strengthening Risk Allocation and Execution Capability

Competitive procurement can also improve project outcomes by allocating risks to the parties best positioned to manage them.³⁹ Proponents should be expected to assume responsibility for engineering, procurement, construction, scheduling, financing, and other execution risks that fall within their control through contractual commitments and commercial incentives, which should also include interface risks associated with integration into the existing transmission system, protection coordination, outage planning, and operational commissioning.⁴⁰

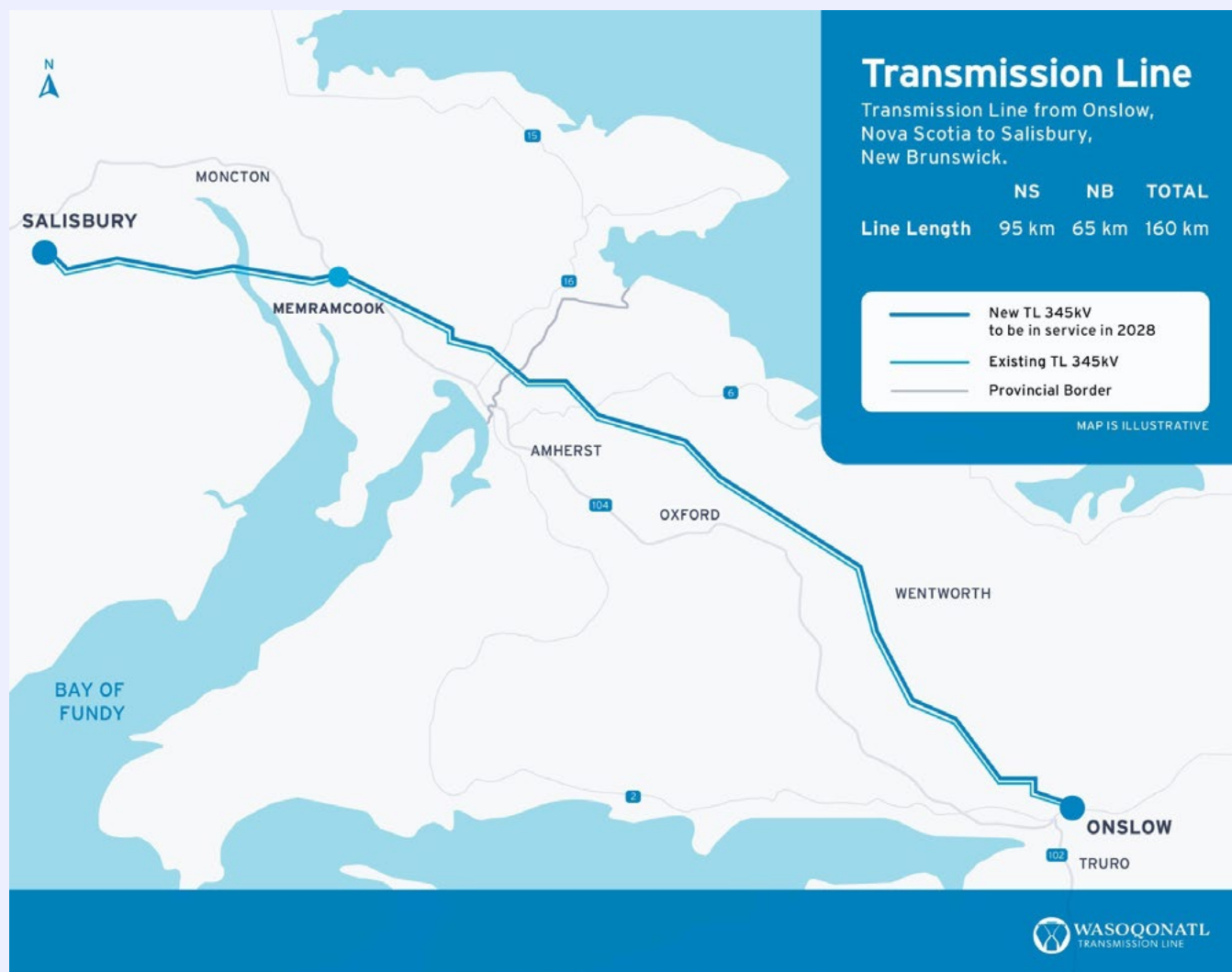
Conversely, system-level risks outside a proponent's influence, including changes in law or public policy, fundamental planning assumptions, or external regulatory and permitting decisions, should remain appropriately allocated to the public sector. International infrastructure guidance consistently concludes that efficient risk allocation improves value for money by aligning incentives with the ability to manage risk, whereas transferring unmanageable risks discourages market participation and increases bid prices to compensate for uncertainty.⁴¹ For technically complex transmission projects, procurement should distinguish between specialized technical expertise that can appropriately be provided through equipment suppliers or project partners and core responsibilities including overall project integration, system coordination, delivery accountability, and

long-term operational stewardship, that should remain clearly assigned to the lead proponent.

This approach is particularly important for technically complex projects involving underwater transmission, high-voltage direct current (HVDC) technology, constrained urban corridors, or other first-of-kind infrastructure.⁴² In these circumstances, procurement frameworks should place significant weight on demonstrated experience delivering projects of comparable complexity, together with credible execution strategies, technical capability, and disciplined risk management.⁴³

Beyond individual procurements, Ontario should also consider transmission development as a coordinated investment program. Providing proponents with greater visibility regarding future procurement opportunities can improve supply-chain investment, workforce planning, manufacturing decisions, and market participation, particularly for globally constrained technologies such as HVDC equipment and submarine cable systems.

As Ontario's first competitively procured HVDC submarine transmission project, the Toronto Third Line illustrates this principle. Its technical complexity reinforces the importance of evaluating proven experience developing, constructing, and operating comparable HVDC infrastructure, together with the capability to manage environmental, engineering, and construction risks over the full project lifecycle.⁴⁴



Source: <https://www.nspower.ca/cleanandgreen/clean-energy/ns-nb-reliability-tie>

CASE STUDY: WASOQONATL - COMBINING PUBLIC AND PRIVATE CAPITAL

The Wasoqonatl transmission project between Nova Scotia and New Brunswick demonstrates how public financing can complement private capital to improve the economics and risk profile of major transmission infrastructure.

The Canada Infrastructure Bank (CIB) invested equity in the interprovincial transmission line, helping the project advance at an estimated \$200 million lower net present value than originally anticipated, reducing costs for electricity ratepayers. The investment also supported Indigenous equity ownership in the project by Nova Scotia Mi'kmaq and New Brunswick Mi'gmaq communities, while helping attract additional private capital.⁴⁵

The project illustrates the potential for competitive procurement and innovative financing to operate as complementary tools. Competitive procurement can strengthen discipline around project cost, execution and delivery, while appropriately structured public investment can help address risks—such as uncertain future utilization or demand growth—that private proponents may be poorly positioned to absorb efficiently.

For Ontario, similar approaches could help mobilize private investment, improve ratepayer affordability, expand Indigenous economic participation, and advance strategically important transmission projects where conventional financing alone may not produce the optimal risk allocation.⁴⁶

CASE STUDY: MARITIME LINK – A CANADIAN EXAMPLE OF PROVEN HVDC DELIVERY CAPABILITY

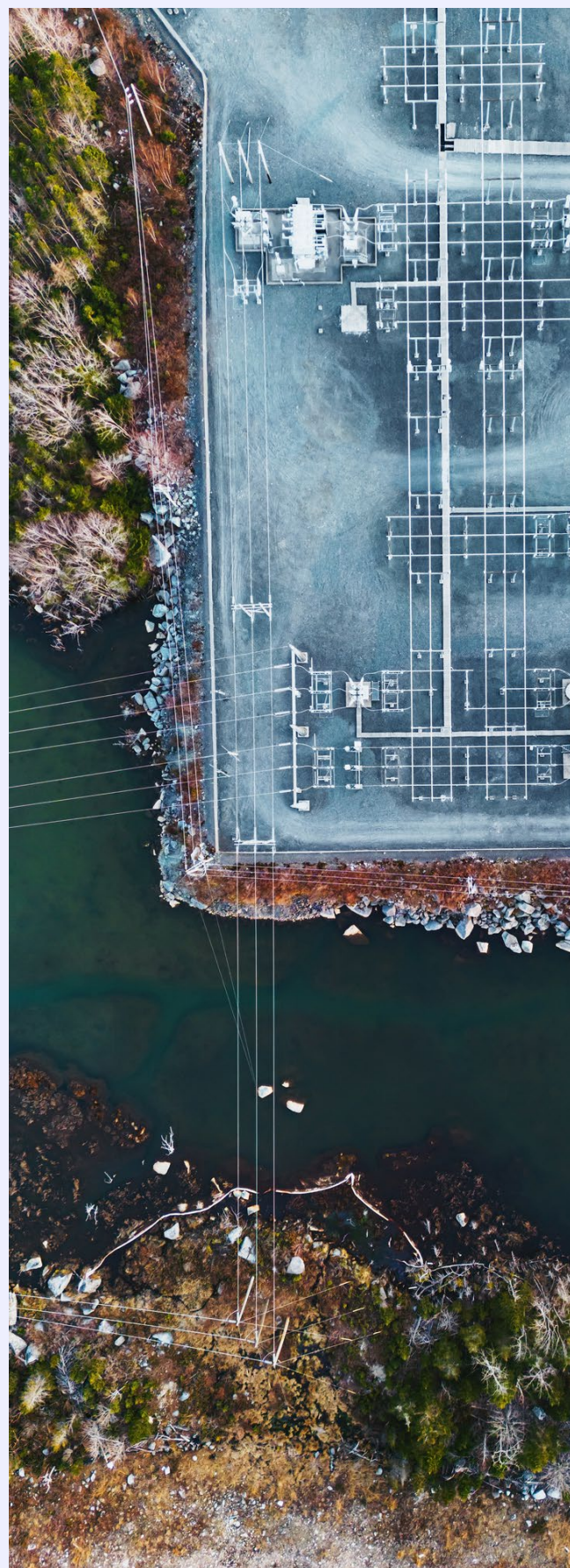
The Maritime Link is a first-of-a-kind high-voltage direct current (HVDC) transmission project in Atlantic Canada, developed by Emera to transmit clean hydroelectric energy from Newfoundland and Labrador into Nova Scotia while strengthening regional grid reliability and resilience.

The project consists of a 500 MW HVDC transmission system extending over 500 km of subsea and overhead HVDC transmission lines. It was delivered on schedule and within its approved capital budget.⁴⁷ As a complex subsea and overland transmission system, the project required integrated planning across marine construction, converter station development, long-lead equipment procurement, and cross-jurisdictional coordination, demonstrating the importance of execution certainty, long-lead supply chain management, and specialized labour capacity. The project also reflects the increasing strategic value of HVDC technology in enabling long-distance, low-loss transmission and supporting system flexibility as electrification and renewable integration accelerate.

Beyond its technical scope, the Maritime Link contributed to regional economic development through local procurement, skilled workforce participation, and long-term infrastructure investment, while strengthening regional transmission capability in Atlantic Canada. The project also established an important foundation for future interregional transmission by demonstrating how large-scale HVDC infrastructure can be delivered in geographically constrained and environmentally sensitive environments.

From a policy perspective, the project demonstrates that complex HVDC transmission assets can be delivered with strong execution discipline when supported by experienced proponents, integrated planning, and robust project governance. It also underscores the importance of execution capability, supply chain readiness, and coordinated stakeholder engagement as key determinants of delivery success.

As Ontario advances increasingly complex transmission infrastructure, Canadian experience delivering comparable HVDC projects provides a useful illustration of the execution capabilities, project disciplines, and technical expertise that procurement frameworks should consider alongside other evaluation criteria.



Building Domestic Capability and Supply Chain Resilience

Competitive procurement can **strengthen economic sovereignty and supply chain resilience**. In this context, sovereignty does not imply excluding global firms; rather it means ensuring that Ontario captures a greater share of the economic value associated with transmission development, while reducing exposure to single-source or offshore supply shocks.⁴⁸

Ontario's competitive procurement framework should support domestic supply chains while recognizing current market realities. In the near term, procurement frameworks should appropriately balance delivery feasibility, execution certainty, commercial competitiveness, and value for electricity ratepayers with practical opportunities to increase Ontario and Canadian supply-chain participation. Over the medium to longer term, as domestic manufacturing capability continues to expand, procurement evaluation should place greater emphasis on local manufacturing, component production, skilled workforce development, and broader industrial capability-building.

This phased approach recognizes that certain specialized transmission technologies, including HVDC converter equipment and submarine cable systems, are currently supplied through highly specialized global manufacturing markets, while many other transmission materials, components, engineering services, construction activities, and supporting equipment present more immediate opportunities for domestic value creation.⁴⁹

In the near term, procurement frameworks should appropriately balance delivery feasibility, execution certainty, commercial competitiveness, and value for electricity ratepayers with practical opportunities to increase Ontario and Canadian supply-chain participation.

Competitive procurement should therefore be viewed as a complementary delivery model that may be appropriate for strategic projects based on project characteristics, technical complexity, policy objectives, and market conditions, where additional market participation or specialized capabilities offer strategic value.

Where practical and consistent with maintaining competitive, transparent procurement, evaluation frameworks should recognize commitments to Ontario labour and workforce development, Ontario and Canadian procurement, domestic manufacturing, and local supply-chain participation and investment. In doing so, Ontario can leverage its significant transmission investment program not only to expand electricity infrastructure, but also to strengthen domestic manufacturing capability, improve supply-chain resilience, and enhance long-term provincial competitiveness. For projects involving integration into Ontario's existing transmission system, procurement evaluation may also recognize demonstrated familiarity with Ontario's regulatory, labour, permitting, and operational environment where relevant to execution certainty.

While these requirements may increase certain near-term project costs, they can also generate broader economic benefits through workforce development, industrial capability-building, supply-chain resilience, retained economic activity, and increased investment across Ontario and Canada. As domestic industrial capacity matures, these benefits have the potential to improve both long-term economic competitiveness and the resilience of Ontario's electricity infrastructure supply chain.

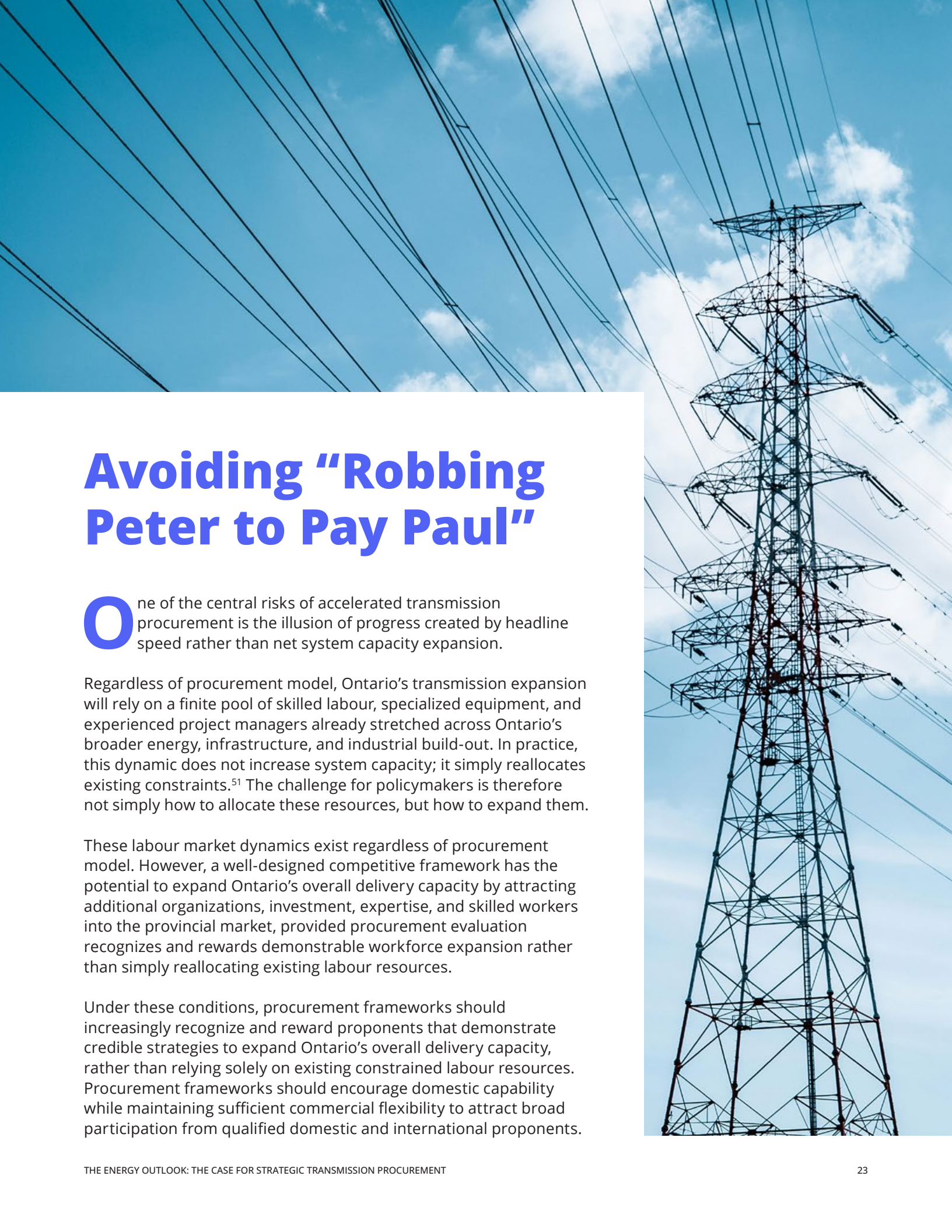
Complementing Ontario's Existing Transmission Sector

Competitive procurement should not be viewed as a judgement on the capabilities or performance of

Ontario's incumbent transmitters. Ontario's existing transmission owners have built and operated one of the most reliable electricity systems in North America and continue to play a critical role in system planning, operations, Indigenous partnerships, workforce development, and the delivery of increasingly complex infrastructure projects. These organizations also operate within rigorous regulatory oversight and performance expectations that have supported continual improvements in system reliability, safety, and operational efficiency.

Ontario's long-term transmission expansion may continue to rely extensively on designated incumbent transmitters. Competitive procurement should therefore be viewed as a complementary delivery model that may be appropriate for strategic projects based on project characteristics, technical complexity, policy objectives, and market conditions, where additional market participation or specialized capabilities offer strategic value.⁵⁰

Instead, the policy objective is to determine how Ontario can best leverage all available sources of expertise, capital, innovation, and execution capability to meet the province's future infrastructure needs. When appropriately designed, competitive procurement should be viewed as an effective tool that complements system strengths, expands delivery capacity, introduces new sources of capital and specialized expertise, and helps advance Ontario's objectives for economic growth, electrification, housing development, industrial competitiveness, and long-term energy security.



Avoiding “Robbing Peter to Pay Paul”

One of the central risks of accelerated transmission procurement is the illusion of progress created by headline speed rather than net system capacity expansion.

Regardless of procurement model, Ontario’s transmission expansion will rely on a finite pool of skilled labour, specialized equipment, and experienced project managers already stretched across Ontario’s broader energy, infrastructure, and industrial build-out. In practice, this dynamic does not increase system capacity; it simply reallocates existing constraints.⁵¹ The challenge for policymakers is therefore not simply how to allocate these resources, but how to expand them.

These labour market dynamics exist regardless of procurement model. However, a well-designed competitive framework has the potential to expand Ontario’s overall delivery capacity by attracting additional organizations, investment, expertise, and skilled workers into the provincial market, provided procurement evaluation recognizes and rewards demonstrable workforce expansion rather than simply reallocating existing labour resources.

Under these conditions, procurement frameworks should increasingly recognize and reward proponents that demonstrate credible strategies to expand Ontario’s overall delivery capacity, rather than relying solely on existing constrained labour resources. Procurement frameworks should encourage domestic capability while maintaining sufficient commercial flexibility to attract broad participation from qualified domestic and international proponents.



Over the medium to longer term, as market capacity grows, procurement evaluation frameworks should progressively incorporate workforce expansion, productivity improvements, and delivery and long-term operational capability into bid evaluation and project readiness criteria. This approach moves beyond treating labour availability solely as an external market constraint and instead recognizes workforce development and productivity as strategic contributors to long-term transmission delivery capacity.

Bidders should be required - and meaningfully rewarded - for demonstrating credible strategies to grow the labour pool over the life of a project. This includes firm commitments to apprenticeships and journeyman development, partnerships with universities, colleges, unions, and training institutions, and clear plans for multi-trade workforce optimization. Procurement evaluation should recognize strategies that both expand local workforce development and attract experienced skilled workers from other jurisdictions where labour shortages exist. Similarly, procurement frameworks should encourage investment in productivity-enhancing approaches such as modular construction, digital twin planning, advanced scheduling and sequencing tools, and workforce mobility supports.⁵²

This represents a fundamental shift in how infrastructure delivery is conceived. Labour is no longer simply a constraint to be managed after contract award; it becomes a core design variable of procurement itself.

In this model, competitive procurement is not simply about selecting the fastest or lowest-cost transmitter, but about using the procurement process as a strategic lever to expand, professionalize, and future-proof Ontario's construction and electrical trades ecosystem.

Competitive procurement should therefore be structured not only to allocate existing resources more efficiently, but also to create measurable incentives for workforce expansion, training, productivity enhancement, and supply-chain development. Success should be evaluated based on whether procurement expands Ontario's overall delivery capacity rather than merely reallocating constrained resources between projects.

Done effectively, this approach would strengthen execution across Ontario's broader infrastructure ecosystem while building long-term workforce capacity for future energy, housing, and industrial development.



Indigenous Partnerships as a Key Procurement Outcome

Ontario has demonstrated through both competitively procured transmission projects and broader transmission development that meaningful Indigenous partnerships can be advanced alongside reliable infrastructure delivery. Similarly, the Independent Electricity System Operator's (IESO) competitive procurements for electricity generation and energy storage have demonstrated that competitive procurement frameworks can successfully incorporate significant Indigenous ownership, participation, and economic partnership while continuing to deliver reliable and cost-effective procurement outcomes.⁵³ These experiences illustrate that meaningful Indigenous economic reconciliation and competitive procurement are complementary objectives that can be advanced together through well-designed procurement frameworks.

Ontario's incumbent transmitters have also demonstrated significant leadership in advancing Indigenous economic participation and ownership. Hydro One's Indigenous Equity Partnership Model,

which provides eligible First Nations with the opportunity to acquire up to a 50 per cent ownership interest in new large-scale transmission projects, represents one of the most ambitious Indigenous infrastructure ownership models currently being implemented in Canada.⁵⁴ As Ontario expands the use of competitive procurement, policymakers should ensure that future procurement frameworks build upon and strengthen these partnership models, making Indigenous participation, ownership, and economic reconciliation core elements of project evaluation and delivery.

Similarly, the East-West Tie transmission project – delivered through a competitively selected partnership comprising Hydro One, NextEra Energy Transmission Canada, Enbridge, OMERS Infrastructure and Bamkushwada – incorporated Indigenous equity ownership alongside employment, training, and procurement opportunities.^{55,56} More than 300 Indigenous community members were trained, and, at peak, construction Indigenous workers represented 51% of the project workforce.⁵⁷

Importantly, Ontario's experience demonstrates that meaningful Indigenous participation can be advanced through both competitively procured and incumbent-led projects. The objective should not be to favour one delivery model over another, but to ensure that all major transmission investments contribute to reconciliation, economic participation, and long-term partnership outcomes.

Indigenous participation should be treated as a scored and contractual requirement within competitive transmission procurement, rather than a discretionary or project-specific add-on. Procurement frameworks should establish clear expectations for desired outcomes while allowing sufficient flexibility for proponents and Indigenous communities to develop partnership models that reflect the unique characteristics of each project, participating Nations, and community priorities. This includes clear expectations for procurement spending with Indigenous businesses, workforce participation targets and training commitments, and, where appropriate, equity or revenue-sharing models that provide long-term economic benefits.⁵⁸

CASE STUDY: HYDRO ONE'S INDIGENOUS PARTNERSHIP MODEL AS A STRATEGIC INFRASTRUCTURE ADVANTAGE

Hydro One has established itself as a national leader in Indigenous economic participation and ownership within the electricity sector through a pioneering approach that integrates Indigenous communities as long-term infrastructure partners rather than solely project stakeholders. In 2022, the company introduced an industry-leading First Nation Equity Partnership Model under which eligible First Nations are offered the opportunity to acquire up to a 50 per cent equity interest in all new large-scale transmission line projects exceeding \$100 million in value.⁵⁹ Beyond a procurement innovation, the model represents a fundamental evolution in how critical infrastructure is planned, financed, and delivered.

By embedding shared ownership into project design, Hydro One has created a framework that aligns economic development, reconciliation, regional prosperity, and infrastructure delivery objectives within a single partnership model.⁶⁰ The approach has increasingly positioned Ontario as a leading jurisdiction for Indigenous participation in major energy infrastructure and provides a compelling example of how infrastructure investment can generate enduring economic benefits alongside reliable electricity service.

The Waasigan Transmission Line in northwestern Ontario serves as a flagship example. Developed in partnership with nine First Nations, the project combines 50 per cent Indigenous equity ownership with procurement opportunities, workforce development, skills training, business creation, and long-term revenue generation. The model has since been expanded to additional transmission projects across the province, including the Chatham-to-Lakeshore Transmission Line in southwestern Ontario and several other new transmission developments currently advancing through planning and procurement processes.⁶¹ Collectively, these projects demonstrate that meaningful Indigenous ownership can be integrated into major transmission infrastructure while strengthening project certainty, community support, and long-term economic outcomes.⁶²

As Ontario undertakes one of the largest transmission expansions in decades to support electrification, critical minerals development, advanced manufacturing, housing growth, and economic competitiveness, Hydro One's partnership model increasingly represents a strategic differentiator for the province and a potential benchmark for infrastructure developers across Canada and internationally.



Rethinking Evaluation Criteria: From Lowest Cost to Highest Value

To fully realize the benefits of competitive procurement, Ontario should continue to evaluate projects based on cost-effectiveness for electricity customers while recognizing that overall value extends beyond upfront capital cost alone. When embedded directly into procurement design, these partnerships can strengthen social licence, improve project certainty, and advance broader objectives related to reconciliation and inclusive economic development.

While cost-effectiveness should remain a core consideration, it should continue to be assessed alongside delivery certainty, schedule realism, risk allocation, economic impact, and long-term system performance.⁶³ This broader perspective is increasingly reflected within Ontario's regulatory framework. Following the enactment of Bill 40, the Ontario Energy Board updated its Filing Requirements in December 2025 to provide guidance on how electricity utilities may demonstrate broader economic benefits associated with proposed

projects. The recommendations advanced in this paper are intended to build on that evolution by considering how similar principles may be reflected within competitive transmission procurement. These recommendations are intended to complement, not replace, the Ontario Energy Board's longstanding role in ensuring prudent investment and protecting electricity customers. A value-based procurement framework should explicitly evaluate proponents' ability to execute projects on time and on budget, including:

- credible construction schedules
- supply-chain readiness
- financing certainty
- experience delivering comparable infrastructure

Evaluation criteria should also account for domestic economic value creation, including:

- domestic content and supply-chain participation,
- commitments to Indigenous partnerships
- workforce development plans that expand the province's skilled labour pool

For this approach to be credible, criteria must be measurable, enforceable, and monitored over time. Evaluation criteria should also remain transparent, proportionate, auditable, and sufficiently objective to maintain bidder confidence, encourage sustained market participation, and avoid unnecessary complexity or subjectivity within procurement evaluations. Mandatory post-award reporting, contractual performance obligations, and appropriate accountability mechanisms should be tied to major commitments on delivery timelines, workforce development, Indigenous partnerships, local sourcing, and domestic economic benefits.⁶⁴

Some procurement objectives, including workforce development, domestic content, Indigenous partnerships, and accelerated delivery, may increase certain upfront project costs. Procurement evaluation should therefore assess these commitments within a broader lifecycle value framework that recognizes avoided delays, reduced execution risk and long-term economic benefits.

This framework emphasizes a critical reality: the proposal with the lowest upfront capital cost will not necessarily represent the greatest lifecycle value or overall cost-effectiveness for electricity customers. Delays, congestion, deferred connections, cost overruns, and lost investment opportunities impose real economic costs that far exceed marginal differences in initial price.⁶⁵ By evaluating projects on their ability to deliver reliably, at scale, and with lasting economic benefit, Ontario can ensure that competitive procurement strengthens the province's energy system and economic growth.

Recognizing the Economic Value of Time

The economic value of accelerated transmission delivery should also be recognized explicitly within procurement evaluation frameworks. Recent legislative changes through Bill 40, the *Protect Ontario by Securing Affordable Energy for Generations Act, 2025*, establish economic growth as a formal objective of both the Independent Electricity System

Operator (IESO) and the Ontario Energy Board (OEB).⁶⁶ This evolution reflects a broader recognition by government that electricity infrastructure is not simply a utility asset, but an enabler of housing construction, industrial investment, resource development, economic competitiveness, and long-term prosperity.

Procurement frameworks should therefore move beyond assessing projects solely on the basis of capital cost and technical performance. Evaluation criteria should also consider the economic consequences of delivery timelines, including the value of accelerating electricity access for major employment lands, industrial facilities, housing developments, critical minerals projects, data centres, advanced manufacturing investments, and other strategic economic opportunities.

In many cases, the greatest value generated by transmission infrastructure arises not from minimizing construction costs, but from accelerating the availability of electricity capacity required to unlock economic activity. A transmission project that enters service one or two years earlier may unlock billions of dollars in private investment, thousands of jobs, expanded tax assessment, housing construction, and broader supply-chain development. These benefits can substantially outweigh modest differences in project capital costs.

As procurement evaluation methodologies continue to evolve, consideration could be given to incorporating economic development impacts, time-to-connect outcomes, and the value of accelerated service where these factors can be assessed using transparent, objective, and measurable evaluation criteria. This could include recognizing the economic value associated with advancing transmission infrastructure that enables strategic provincial priorities, including critical minerals development in Northern Ontario, major industrial investment, housing growth, and city-building initiatives, including projects such as the Toronto Third Line that support downtown Toronto, waterfront redevelopment, employment growth, and long-term urban intensification.



Strengthening the Transmitter Selection Framework

Effective competitive procurement also requires a clear and coherent stakeholder governance framework. The province sets strategic objectives and project direction; the Independent Electricity System Operator (IESO) acts as system planner and procurement authority⁶⁷; the Ontario Energy Board (OEB) provides regulatory oversight⁶⁸; and transmitters are responsible for project development, delivery, operations, and long-term asset stewardship.

As Ontario's first competitive transmission procurement advances through the Toronto Third Line, lessons learned from its implementation should inform future refinements to the Transmitter Selection Framework. The IESO has initiated engagement on a proposed Transmitter Selection Framework to improve transparency around connection timelines, delivery sequencing, and stakeholder engagement. This work should ensure that customer perspectives and regional growth realities are consistently reflected in planning, procurement, and delivery decisions, particularly where time-to-connect certainty materially affects investment outcomes.

The IESO's proposed Transmitter Stakeholder Framework could be complemented by greater

transparency regarding transmission planning milestones, procurement progress, and transmitter delivery performance. Separately, continued improvements to customer connection transparency, including broader visibility into end-to-end connection timelines across transmission, local distribution, permitting, and customer readiness, would further strengthen investment certainty for industrial customers and municipalities.

As electricity availability increasingly influences site selection and capital allocation decisions, time-to-connect transparency is becoming a prerequisite for investment rather than a downstream technical consideration.

Ontario's future transmission expansion will require both strong incumbent utilities and strong competitive markets. Incumbent transmitters possess decades of experience in system planning, operations, asset management, emergency response, customer relationships, and long-term stewardship of the provincial grid. Competitive procurement should therefore be viewed as one delivery mechanism within a broader transmission ecosystem, allowing Ontario to draw upon both incumbent expertise and additional private-sector execution capacity where appropriate.

The Toronto Third Line represents an important early opportunity to demonstrate how competitive procurement can strengthen execution, attract specialized expertise, and deliver infrastructure that supports both electricity reliability and Ontario's broader economic competitiveness.

Competitive Procurement as an Execution Discipline

Ontario's move toward competitive procurement for transmission projects represents more than a procedural reform. It reflects a strategic choice about how the province delivers growth-enabling infrastructure in a period of rapid economic and energy transition, building on the strengths of Ontario's existing transmission system while introducing additional mechanisms to improve execution performance, delivery certainty, and responsiveness to emerging demand.

When designed effectively, competitive procurement can:

- accelerate delivery,
- reduce execution risk,
- strengthen Indigenous partnerships,
- expand the labour force, and
- increase domestic value capture.

Like any procurement model, competitive procurement must be carefully designed to ensure that it expands overall system capability, strengthens delivery performance, and complements Ontario's broader infrastructure ecosystem. The policy challenge is not whether Ontario should rely exclusively on one delivery model, but rather how procurement and planning frameworks can work together to accelerate transmission delivery while maintaining reliability, affordability, and long-term customer value.

Competitive procurement should be viewed as an important tool within Ontario's broader transmission delivery framework. The objective is not competition for its own sake, nor the application

of a single delivery model to every project. Rather, Ontario should maintain the flexibility to select the procurement approach best suited to the objectives, complexity, risks, and strategic characteristics of individual transmission investments.

Ultimately, the effectiveness of competitive procurement depends not only on how projects are evaluated, but also on whether Ontario establishes a market that attracts sustained participation from experienced global developers. Procurement frameworks that are transparent, commercially balanced, and predictable encourage repeated investment, deepen competition, and improve long-term value for Ontario customers. Ontario's future transmission build-out should leverage both the strengths of incumbent transmitters and the benefits of competitive procurement.

Properly aligned with system planning and stakeholder accountability, competitive procurement can become a cornerstone of Ontario's broader energy and industrial competitiveness strategy rather than a narrow contracting tool. The Toronto Third Line represents an important early opportunity to demonstrate how competitive procurement can strengthen execution, attract specialized expertise, and deliver infrastructure that supports both electricity reliability and Ontario's broader economic competitiveness. Ultimately, Ontario's competitive advantage will be determined not simply by how much transmission infrastructure it builds, but by how effectively procurement, planning, and execution work together to deliver electricity infrastructure that enables investment, strengthens industrial competitiveness, expands delivery capacity, and creates long-term economic prosperity.

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ACKNOWLEDGEMENTS

This report was authored by Christopher Warren on behalf of the Toronto Region Board of Trade. Design was led by LDD Studio.