

April 18, 2022

RESS, EMAIL & COURIER

Ontario Energy Board
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Toronto, ON M4P 1E4

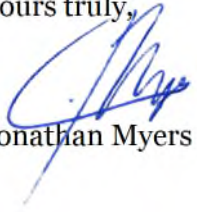
Attention: Nancy Marconi, Registrar

Dear Ms. Marconi:

**Re: Semi-Annual Report on CWIP Account and Backup Supply Arrangements
for the Wataynikaneyap Transmission Project (EB-2018-0190)**

Enclosed on behalf of Wataynikaneyap Power LP (WPLP) is the April 15, 2022 *Semi-Annual Report on CWIP Account and Backup Supply Arrangements* for the Wataynikaneyap Transmission Project. This report, which has been filed on RESS, is provided in accordance with the Board's Decision and Order in EB-2018-0190 (issued April 1, 2019 and revised April 29, 2019). Similar reports were previously filed pursuant to the Board's March 23, 2017 Decision and Order in EB-2016-0262. Please note that this version of the report includes, for the second time, the additional information that WPLP agreed to provide pursuant to the approved Settlement Agreement in EB-2021-0134.

Yours truly,


Jonathan Myers

Enclosure

cc: Ms. Margaret Kenequanash, WPLP
Mr. Duane Fecteau, WPLP
Mr. Charles Keizer, Torys LLP

ONTARIO ENERGY BOARD

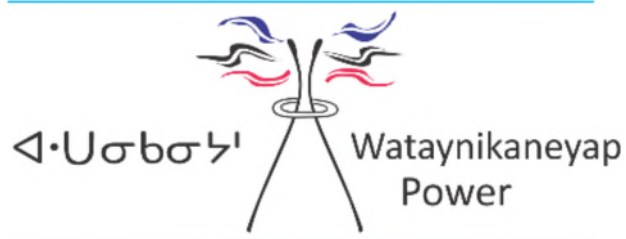
IN THE MATTER OF the *Ontario Energy Board Act, 1998*, C.S.O. 1998, c.15 (Sched. B); pursuant to section 92 of the *Ontario Energy Board Act*.

AND IN THE MATTER OF an Application by Wataynikaneyap Power GP Inc. on behalf of Wataynikaneyap Power LP, for an Order or Orders to establish a deferral account, for the purposes of recording certain costs relating to development of the Wataynikaneyap Transmission Project.

WATAYNIKANEYAP POWER LP

Semi-Annual Report on CWIP Account and Backup Supply Arrangements

April 15, 2022



1. Introduction

On April 1, 2019, the OEB issued a Decision and Order in EB-2018-0190 (the “Decision”), granting Wataynikaneyap Power LP (“WPLP”) leave to construct certain transmission lines and related facilities, as well as approving certain code exemptions and a cost recovery and rate framework.¹ The Decision directs WPLP to use CWIP Account 2055 to record construction costs and approved WPLP’s request to transfer the balances from its development costs deferral account to the CWIP account. In addition, the Decision establishes, as a condition of approval, that WPLP must provide the OEB with semi-annual updates on the CWIP account, as well as on the progress of backup supply arrangements for the connecting communities, with the first such report being due on October 15, 2019 and subsequent reports being required every April 15 and October 15. Reporting on the CWIP account is required until all costs related to initial construction of the transmission system are cleared from the CWIP account² and reporting on backup power is required until arrangements have been fully implemented for all connecting communities. Moreover, those reports are to be based on December 31 and June 30 cut-offs for financials, and March 31 and September 30 cut-offs for project activities.

WPLP is in the process of finalizing its 2023 transmission rate application, which it expects to file prior to April 30, 2022. As such, this semi-annual report provides CWIP account balances and high-level variance analysis consistent with prior reports, with references to sections of WPLP’s pending rate application that will contain detailed variance analysis.

In addition, as part of the OEB-approved Settlement Agreement in EB-2021-0134, the parties agreed that WPLP will include the following additional information in its semi-annual reports:

- a current schedule of the expected connection dates for each remote community that is, at the time of the semi-annual report, not yet connected to WPLP’s transmission system;
- details of any updates to WPLP’s current operations, and material changes to its long-term operating plans with respect to operations, operating and maintenance systems and practices;
- updated information, in respect of each community for which an independent power authority (IPA) will be transferring their distribution system assets to HORCI, on the status of each such IPA community in meeting the transfer conditions included in the IPA community’s transfer agreements with Indigenous Services Canada (ISC) and HORCI, subject to WPLP being able to obtain this information from ISC along with consent from ISC to provide it on the public record in WPLP’s semi-annual reports; and

¹ The OEB revised its Decision and Order on April 29, 2019 to distinguish the CWIP interest rates applicable to debt incurred on an arm’s length basis vs debt incurred on a non-arm’s length basis in paragraph 7 of the Order section.

² The Decision states “until the CWIP account is terminated” (Schedule B, Condition 4). WPLP’s interpretation is that in directing WPLP to use CWIP Account 2055 instead of establishing a CWIP deferral account, the CWIP account will not be “terminated”, and the intent of this requirement is to apply the reporting requirement until CWIP balances related to initial construction have been transferred from CWIP Account 2055 to in-service assets.

- high-level status updates, in respect of each of the communities currently served by HORCI and which will be connected to WPLP's transmission system, on key milestones relating to those communities' efforts to become ready for connection to WPLP's transmission system, consistent with the information provided in response to HORCI IR #2(d) from EB-2021-0134.³

Accordingly, this Semi-Annual Report addresses the following aspects:

Section 2 - CWIP account

Section 3 - Back-up supply arrangements

Section 4 - Community connection dates

Section 5 - Operating plans

Section 6.1 - Status of IPA-served communities

Section 6.2 – Status of HORCI-served communities

³ See EB-2021-0134 Settlement Proposal, p.14

2. CWIP Account

2.1 Construction Cost, Forecasts and Variances

The table below provides a comparison between the project cost forecast as provided in the CWIP report dated October 15, 2021 and the current project cost forecast.

As compared to the October 15, 2021 project cost forecast, the current project cost forecast is reduced by \$28 million, due to a reduction of Other Infrastructure costs (\$27.3 million), which WPLP now plans to incur outside of the construction period, a reduction in EPC and Non-EPC capital costs (\$12.8 million), and additional capitalized interest costs of \$12.1 million. Detailed project cost variance analysis is presented in Exhibit B-1-5 of WPLP's forthcoming 2023 rate application.

Project spend was delayed in 2021 due to COVID-19 pandemic impacts, partial loss of the winter construction period and forest fires in the summer of 2021 within the Project Site, as described in Exhibit B-1-3 of WPLP's 2023 rate application.

Wataynikaneyap Power LP (WPLP)
Project Cost Forecast
For the Reporting Period - July 1, 2021 to December 31, 2021

	Forecasted Project Costs (October 2021 Report)	Current Forecast Project Costs	Variance between Project Forecast presented October 15, 2021 CWIP Report and Current	Project Spend to date	Percent of Current Forecast Spent
EPC Contract - Transmission Line Facilities - Line to Pickle Lake	\$ 213,126,464	\$ 215,015,140	-\$ 1,888,676	\$ 178,862,596	83%
EPC Contract - Transmission Line Facilities - Remote Connection Lines	\$ 889,935,766	\$ 905,389,531	-\$ 15,453,765	\$ 422,260,381	47%
EPC Contract - Station Facilities - Line to Pickle Lake	\$ 36,234,762	\$ 37,876,983	-\$ 1,642,221	\$ 30,034,822	79%
EPC Contract -Station Facilities - Remote Connection Lines	\$ 293,482,233	\$ 298,093,810	-\$ 4,611,577	\$ 118,583,717	40%
Other Infrastructure	\$ 36,750,000	\$ 9,450,000	\$ 27,300,000	\$ -	0%
HONI Interconnection	\$ 3,913,000	\$ 3,913,000	\$ -	\$ -	0%
Engineering, Design, Project/Construction Management & Procurement	\$ 126,918,213	\$ 120,532,435	\$ 6,385,778	\$ 73,031,310	61%
Environmental Assessments, Routing, Permitting, Regulatory & Legal	\$ 30,498,582	\$ 28,204,426	\$ 2,294,156	\$ 24,538,103	87%
Land Rights	\$ 14,575,132	\$ 12,931,230	\$ 1,643,902	\$ 7,345,438	57%
Aboriginal Engagement, Stakeholder Consultation, Participation and Training	\$ 49,175,103	\$ 46,697,200	\$ 2,477,903	\$ 35,077,187	75%
Contingency	\$ 118,211,375	\$ 94,615,136	\$ 23,596,239	\$ -	0%
Costs before AFUDC	\$ 1,812,820,631	\$ 1,772,718,891	\$ 40,101,740	\$ 889,733,555	50%
Capitalized Interest	\$ 33,522,731	\$ 45,655,051	-\$ 12,132,320	\$ 25,519,893	56%
Total Project Costs	\$ 1,846,343,362	\$ 1,818,373,942	\$ 27,969,420	\$ 915,253,447	50%

2.2 Carrying Charges

Wataynikaneyap Power LP (WPLP)
Account Interest
For the Reporting Period - July 1, 2021 to December 31, 2021

	<i>As at</i> <u>30-Jun-21</u>	<i>Additions</i> <u>07 2021 - 12 2021</u>	<i>As at</i> <u>31-Dec-21</u>
Carrying Charge Interest Income	\$18,647,037	\$6,872,855	\$25,519,893
Carrying Charge Interest Expense	(\$582,107)	\$582,107	\$0
Carrying Charges on Construction Costs	\$18,064,930	\$7,454,962	\$25,519,893

*Carrying charges recorded up to March 31, 2019 were earned at the prescribed rates published by the OEB in accordance with the decision in EB-2016-0262. Carrying charges recorded subsequent to March 31, 2019 were earned at WPLP's actual cost of debt in accordance with the decision in EB-2019-0190.

**Carrying Charge Interest Expense was reversed based on the OEB's Decision and Order in EB-2021-0134, which approved the discontinuance of the CWIP fundng sub-account.

3. Backup Power

The Decision requires WPLP's reporting with respect to backup supply arrangements to provide an understanding, in relation to the forecasted grid-connection date for each community, of whether backup supply is likely to be available when, where and in the amount required.

3.1 Progress Update

In response to interrogatories in EB-2018-0190, WPLP informed the Board that as part of finalizing the definitive documents for the Government Funding Framework, Canada, Ontario, WPLP and First Nation LP agreed to enter into a Parallel Process Agreement which outlines the process for addressing backup power needs.⁴ This Parallel Process Agreement was executed on July 3, 2019.

As contemplated in the Parallel Process Agreement, Indigenous Services Canada and First Nation LP formed a Backup Power Working Group (BPWG) to develop a Backup Power Plan as well as secure related funding and operational commitments for the Connecting Communities that can be implemented prior to grid connection.

The BPWG finalized the Backup Power Plan in Q2 2020 and distributed it to key stakeholders early June 2020. The development process for the Backup Power Plan was as follows:

- In 2018, Hydro One Remote Communities Inc. (HORCI) developed a report outlining technical and environmental requirements as well as other considerations for backup power in the Connecting Communities that they currently service. Building on this work, HORCI completed an annex to this report (Containerized DGS Annex) outlining requirements for them to provide backup power in the Connecting Communities currently serviced by Independent Power Authorities (IPA) as these communities require additional consideration. The HORCI report annex was completed in December 2019.
- By the end of 2019, the BPWG completed the first of two rounds of engagement with the Connecting Communities, and involved other stakeholders in discussions, including HORCI and the Ministry of Energy, Northern Development and Mines.
- After receiving the updated HORCI report, including the annex, the BPWG developed a draft Backup Power Plan, which was presented to the Connecting Communities during the second round of community engagement, which took place January – September 2020. The second round of community engagement was initially set to conclude in April 2020. However, the timeline was impacted by the COVID-19 pandemic and related community access & social restrictions. In addition, the draft Backup Power Plan was presented to other stakeholders including HORCI and the Ministry of Energy, Northern Development and Mines for review and feedback.
- The BPWG finalized the Backup Power Plan in Q2 2020, subject to additional processes required to approve the implementation details and secure the necessary funding for each community as described below. The Backup Power Plan was circulated to the Connecting Communities and

⁴ EB-2018-0190; Response to Board Staff Supplemental IR 67

other key stakeholders in early June 2020, with the Connecting Communities being provided with both electronic copies and hardcopies of the plan.

- For 13 of the 16 Connecting Communities, the Backup Power Plan recommended repurposing the existing diesel generation (DGS) assets for use as backup power. For the remaining 3 communities (North Caribou Lake First Nation, Pikangikum First Nation and Wawakapewin First Nation), the Backup Power Plan recommended backup power at ISC-funded critical assets only.

Regarding Wawakapewin First Nation, as noted above the Backup Power Plan recommended backup power at ISC-funded critical assets only. At the time of that recommendation, it was understood that there were no such critical assets in that community. When HORCI was conducting reviews of the DGS assets in the Connecting Communities to assess their suitability for backup power, they were unable to visit Wawakapewin due to community access challenges. Consequently, HORCI and the BPWG used information available at the time for backup power planning. As the backup power planning process progressed, it was determined that the technical information related to the Wawakapewin DGS assets, which was used to form the backup power recommendation outlined in the Backup Power Plan, was outdated. The BPWG and HORCI were subsequently able to obtain more current information related to the Wawakapewin DGS assets. Based on that more current information, HORCI communicated its willingness to reassess the feasibility of repurposing and taking over operation of the DGS assets in Wawakapewin for backup power. These discussions remain ongoing between the involved parties.

A preliminary draft workplan/timeline, developed by ISC in August 2020, provided a framework for implementation of the recommended backup power option for each Connecting Community as outlined in the Backup Power Plan. The workplan/timeline was shared with the Connecting Communities, their Tribal Councils, and Opiikapawiin Services LP (on behalf of First Nation LP). Projects were previously categorized according to the fiscal year they were to be released and were as follows:

- Year 1 (Funding application released in FY 20/21 – 4 communities),
- Year 2 (Funding application released in FY 21/22 – 5 communities), and
- Year 3 (Funding application released in FY 22/23 – 7 communities).

In August 2020, ISC began working with the Connecting Communities whose backup power implementation projects were to be initiated in Year 1 and their Tribal Councils to develop and submit their respective backup power implementation funding applications. These communities are Wunnumin Lake First Nation, Pikangikum First Nation, Poplar Hill First Nation and North Caribou Lake First Nation (critical assets only).

In January 2021, ISC began developing template funding applications for the Connecting Communities whose backup power implementation projects are to be initiated in Year 2. These communities are Kingfisher Lake First Nation, Muskrat Dam First Nation, Deer Lake First Nation, North Spirit Lake First Nation and Keewaywin First Nation. The backup power implementation project in North Caribou Lake First Nation may also be considered a Year 2 project due the community's correspondence with ISC requesting community-wide backup power.

As energization dates for the Connecting Communities were revised as a result of COVID-19 and regional forest fires, the backup power implementation project schedule was revised accordingly. Currently, projects are tracked according to energization date as shown below:

- Year 1 (Funding applications approved in FY 21/22 and/or active projects – 6 communities),
- Year 2 (Energization in FY 23/24 and/or funding applications submitted – 6 communities), and
- Year 3 (Energization in FY 23/24 or later and/or funding applications not submitted – 4 communities).

A table showing the revised backup power implementation workplan is shown below:

First Nation	Energization Date ⁵	Funding Application		Design Status	Construction Status	
		Submitted	Approved			
Year 1						
1	Pikangikum First Nation	December 2018	Yes	Yes	In Progress	Not Started
2	Kingfisher Lake First Nation	June 2022	Yes	Yes	In Progress	Not Started
3	North Caribou Lake First Nation	June 2022	Yes	Yes	In Progress	Not Started
4	Muskrat Dam First Nation	May 2023	Yes	Yes	In Progress	Not Started
5	Wunnumin Lake First Nation	May 2023	Yes	Yes	In Progress	Not Started
6	Poplar Hill First Nation	April 2024	Yes	Yes	In Progress	Not Started
Year 2						
7	Wawakapewin First Nation	May 2023	No	No	Not Started	Not Started
8	Bearskin Lake First Nation	May 2023	No	No	Not Started	Not Started
9	Sachigo Lake First Nation	June 2023	No	No	Not Started	Not Started
10	Deer Lake First Nation	April 2024	Yes	Yes	Not Started	Not Started
11	North Spirit Lake First Nation	May 2024	Yes	Yes	Not Started	Not Started
12	Keewaywin First Nation	May 2024	Yes	Yes	Not Started	Not Started
Year 3						
13	Sandy Lake First Nation	May 2024	No	No	Not Started	Not Started
14	Kasabonika Lake First Nation	June 2023	No	No	Not Started	Not Started
15	Kitchnuhmaykoosib Inninuwig	June 2023	No	No	Not Started	Not Started
16	Wapekeka First Nation	June 2023	No	No	Not Started	Not Started

There are currently six (6) active backup power implementation projects and three (3) planned for Year 2 for which updates are as follows:

⁵ The backup power implementation workplan is based on the anticipated community energization dates as set out in the October 15, 2021 semi-annual report.

Update on Active Backup Power Implementation Projects				
	<i>Connecting Community</i>	<i>Year</i>	<i>Recommendation</i>	<i>Project Status (as of March 31, 2022)</i>
1.	Pikangikum First Nation	Year 1	Critical Asset Backup	The Engineer is reviewing existing documentation, coordinating inspections, and developing detailed project requirements.
2.	Kingfisher Lake First Nation	Year 1	Community-Wide Backup	Currently, the focus is on identifying critical assets that require dedicated backup power and developing preliminary backup power specifications, particularly lift stations (i.e. water pumping stations which are used to distribute water for domestic purposes in the community). The Terms of Reference (TOR) and related Request for Proposals (RFP) for critical asset backup power are being developed. The TOR includes one existing lift station and a second new lift station that will be part of the new school; the RFP has not been released.
3.	North Caribou Lake First Nation	Year 1	Critical Asset Backup	Minor Capital Application (MCA) for critical asset backup power was approved. North Caribou Lake executed a revised Band Council Resolution (BCR) to reflect their position for community-wide backup power, rather than critical asset backup power only. North Caribou Lake has sent a letter to ISC stating that they will begin critical asset backup power work but are requesting community wide backup power. ISC has denied this request. Chief & Council have not decided on next steps. Discussions related to community-wide backup power are ongoing. Work related to critical asset backup power is ongoing.
4.	Muskrat Dam First Nation	Year 1	Community-Wide Backup	The Engineer is reviewing existing documentation, coordinating inspections, and developing detailed project requirements.
5.	Wunnumin Lake First Nation	Year 1	Community-Wide Backup	The Engineer, Electrical Safety Authority, and TSSA have completed their inspections. Fire Safety Inspections are being coordinated. HORCI completed a detailed follow-up inspection of the DGS assets in December 2021 and have provided their report. Remotes will be providing updated cost breakdowns and other key information & requirements. The Engineer is reviewing the December 2021 HORCI Report and is compiling their report.
6.	Poplar Hill First Nation	Year 1	Community-Wide Backup	The Engineer is providing technical support to the project including design work as well as coordination of Electrical Safety Authority, fuel systems, TSSA, and Fire Safety inspections. HORCI is reviewing DGS upgrade designs & specifications and will provide feedback. The relevant Tribal Council, Keewaytinook Okimakanak, is working with HORCI on alignment with previously planned (and separate project) DGS upgrades. The Engineer has developed a report that outlines previously planned DGS upgrades and backup power upgrade requirements to identify gaps and develop a clear scope.

Update on Active Backup Power Implementation Projects				
	<i>Connecting Community</i>	<i>Year</i>	<i>Recommendation</i>	<i>Project Status (as of March 31, 2022)</i>
7.	Deer Lake First Nation	Year 2	Community-Wide Backup	Funding application has been completed and submitted to ISC. ISC has reviewed and approved funding application. TOR for project technical support & engineering services is being developed.
8.	North Spirit Lake First Nation	Year 2	Community-Wide Backup	Funding application has been completed and submitted to ISC. ISC has reviewed and approved funding application. TOR for project technical support & engineering services is being developed.
9.	Keewaywin First Nation	Year 2	Community-Wide Backup	Funding application has been completed and submitted to ISC. ISC has reviewed and approved funding application. TOR for project technical support & engineering services is being developed.

There are currently five (5) backup power implementation funding applications being developed. These include funding applications for:

1. Bearskin Lake First Nation;
2. Sachigo Lake First Nation;
3. Kasabonika Lake First Nation;
4. Kitchenuhmaykoosib Inninuwug; and
5. Wapekeka First Nation.

The funding application for backup power implementation in Wawakapewin First Nation will be developed in spring/summer 2022 once next steps are determined. The funding application for backup power implementation in Sandy Lake First Nation will be developed subsequent to those listed above.

OSLP, on behalf of First Nation LP, continues to support the Connecting Communities and their Tribal Councils with implementing backup power.

In response to the OEB's letter dated May 17, 2021, WPLP provided a copy of the final Backup Power Plan. The OEB subsequently requested, by way of a letter dated July 23, 2021, that WPLP facilitate a request to the BPWG for confirmations in respect of certain aspects of the Backup Power Plan. WPLP has reached out to Opiikapawiin Services LP to help facilitate a response to the questions raised in the OEB letter dated July 23, 2021 as the BPWG no longer exists. This is because their mandate was to develop the Backup Power Plan, so the BPWG was disbanded after finalizing the plan. OSLP is providing oversight for Backup Power Planning and the implementation of the Backup Power Plan. Based on information received to date, WPLP's understanding is as follows.

For the 13 First Nation communities that will have community wide backup power, the communities have sufficient fuel storage capacity to provide a level of reliability that is similar to or better than when

the connected communities were supplied with power by diesel generation alone, when taking into consideration the revised transmission outage durations in the BBA Backup Power Report. WPLP can confirm the BBA Backup Power Report has been provided to the OSLP, Tribal Councils and communities to determine projected annual fuel requirements for these communities (See Attachment A - Table 1). It will be the responsibility of HORCI to ensure that adequate volumes of fuel (As outlined in Attachment A - Table 1) are available in the existing storage tanks to meet the identified backup power fuel requirements. It is also WPLP's understanding that backup power supply will be available to the critical loads identified in each community's Emergency Preparedness Plan under the community wide backup strategy in accordance with ISC's Level of Service Standards (LOSS).

As it relates to the 3 communities for which critical asset backup only is planned, it is WPLP's understanding that North Caribou Lake First Nation and Wawakapewin First Nation will have sufficient capacity to store the volumes of diesel fuel required to ensure that reliability (specific to critical assets) is similar to or better than when the connected communities were supplied with power by diesel generation alone, when taking into consideration the revised transmission outage durations in the BBA Backup Power Report. WPLP can confirm the BBA Backup Power Report was provided to OSLP, Tribal Councils and the communities to determine projected annual fuel requirements for these two communities (See Appendix A - Table 1 provided by OSLP). It is WPLP's understanding (See Attachment A - Table 2) that a critical asset backup power supply will be available to the critical loads identified in each community's Emergency Preparedness Plan and will be managed in accordance with ISC's LOSS.

Pikangikum First Nation, which is the third community for which critical asset backup only is planned, has already been connected to the Ontario electricity grid and the centralized diesel generation and fuel storage in that community was removed. This was due to the condition of the diesel generation facility, the associated environmental risks, and the remediation required for the site. It is WPLP's understanding that OSLP, the Tribal Councils and the communities are currently evaluating critical asset backup and fuel reserve requirements, taking into consideration: (1) proximity to Red Lake, (2) all-season road access to the majority of nearby line and substations, (3) existing reliability of the HORCI distribution system servicing the Pikangikum First Nation community, and (4) a number of other planned initiatives (bridge and all season road projects) that will improve access to the remaining system. WPLP notes that Pikangikum reliability for 2021 was 99.807% when considering all causes of outages and 99.996% after excluding Loss of Supply. As a result, Pikangikum reliability is similar to or better than when the Pikangikum First Nation community was supplied by diesel. It is also WPLP's understanding (See Attachment A - Table 2) that a critical asset backup power supply will be available to the critical loads identified in each community's Emergency Preparedness Plan and will be managed in accordance with ISC's LOSS.

As mandated by the Chiefs on December 18, 2018, backup power is to be implemented in each of the 16 Connecting Communities, at no cost to the First Nations.

WPLP notes that while there are existing fuel storage capacity requirements, WPLP is not in a position to ensure the responsible parties maintain the appropriate levels of fuels on site which in turn may impact reliability in an event.

3.2 Key Issues and Risks

The issues and risks discussed in the table below are associated with the implementation of the Backup Power Plan as discussed in Section 3.1, as well as the timing for completing this plan in relation to the in-service dates for the Connecting Communities. The table will be updated in future reports to focus on any new issues and risks arising during the implementation of the plan.

Development of Backup Power Plan – Issues and Risks				
<i>Item</i>	<i>Description</i>	<i>Impact</i>	<i>Actions/Mitigation</i>	<i>Requirement to Remove Risk</i>
1.	<p>Connecting Community Support In order for backup power solutions to be accepted by each Connecting Community, there must be meaningful dialog and engagement with respect to any inputs, assumptions, standards and costs underpinning the HORCI report, as well as any potential community impacts resulting from the proposed solution.</p>	<p>Failure to secure community acceptance of backup power solutions could delay or prevent finalization of Backup Power Implementation Funding Applications.</p>	<ul style="list-style-type: none"> - Early and ongoing engagement with the Connecting Communities specifically focused on backup power requirements and solutions - First Nation LP is a party to the Parallel Process Agreement, and a member of the Backup Power Working Group - Terms of Reference for the Backup Power Working Group indicate intent to secure support letters from each Connecting Community 	<ul style="list-style-type: none"> - Obtain a Band Council Resolution (BCR) supporting the Backup Power Plan from each Connecting Community - BCRs have been executed by 15 of 16 Connecting Communities
2.	<p>Stakeholder Support & Commitments In addition to Connecting Community support, the proposed backup power solution for each community must have commitments from relevant stakeholders with respect to any required upfront investments, ongoing operational and maintenance responsibilities, and cost responsibility for future operation and capital reinvestment.</p>	<p>Failure to secure funding and operational commitments for the preferred backup power solution could delay or prevent backup power implementation.</p>	<ul style="list-style-type: none"> - Canada is a party to the Parallel Process Agreement, and ISC is a member of the BPWG - Early and ongoing discussion with HORCI - HORCI engaged to complete 2018 Backup Power Report and updated 2019 Backup Power Report for the working group - Participation in Backup Power Working Group meetings by HORCI - Participation in Backup Power Implementation by HORCI 	<ul style="list-style-type: none"> - Contractual arrangements related to Backup Power - Funding agreements related to implementation of backup power - Development of technical documents related to the implementation of backup power (i.e. technical or environmental scopes, etc.)
3.	<p>Timing Backup Power funding applications should be submitted with sufficient lead time to allow for system</p>	<p>Delays in backup power funding application submissions could result in delays to</p>	<ul style="list-style-type: none"> - Target date for finalizing the Backup Power Plan is more than one year ahead of the earliest in-service dates for community connections 	<ul style="list-style-type: none"> - Submission and approval of each backup power funding application

Development of Backup Power Plan – Issues and Risks				
<i>Item</i>	<i>Description</i>	<i>Impact</i>	<i>Actions/Mitigation</i>	<i>Requirement to Remove Risk</i>
	modifications and other work to be completed prior to the grid-connection date for each Connecting Community.	implementation which, in turn could result in reliability impacts following connection	<ul style="list-style-type: none"> - Coordination of schedules between WPLP Project Management group and OSLP/ISC to prioritize backup power solutions based on grid-connection timelines and lead times for backup power solutions - Backup Power meetings held regularly to discuss scheduling & target dates - Tribal Councils and ISC, supported by OSLP, are providing support to the Connecting Communities with completion & submission of funding applications 	<ul style="list-style-type: none"> - Funding applications have been submitted and approved for nine (9) backup power projects to date - Updated grid-connection schedule from WPLP to ensure continued alignment between backup power implementation and grid-connection
4.	Implementation Implementation of backup power (legal agreements, environmental work, regulatory approvals, funding approvals, construction etc.) in time for grid-connection of each community	Implementation of backup power is not a requirement for grid-connection. However, delays in backup power implementation could result in service gaps.	<ul style="list-style-type: none"> - Coordination of schedules between WPLP Project Management and each backup power implementation project - Hold HORCI accountable to their cost & schedule estimates - Actively manage impacts from the COVID-19 pandemic and related community access restrictions / social restrictions 	<ul style="list-style-type: none"> - Implementation of recommended backup power option in each of the Connecting Communities

3.3 Backup Power Solutions and Forecasted Dates by Community

The Backup Power Projects section of Attachment ‘A’ includes a summary of backup power solutions and overall status by community. Note that the grid connection dates shown in Attachment ‘A’ are currently aligned with the construction schedule presented in initial rate application EB-2021-0134, as amended. WPLP expects that OSLP, the communities and the Tribal Councils will update future status reports to reflect the revised grid connection dates presented in Section 4, or additional schedule updates as available.

4. Community Connection Schedule

WPLP’s 230 kV system, referred to as the Line to Pickle Lake (including substations at Dinorwic and Pickle Lake and 230 kV line segment W54W), is expected to be energized by June of 2022. The table below provides the energization dates for each community.

Energization Dates by Community	
Date	Community
Jun-22	Pikangikum First Nation
Aug-22	North Caribou Lake First Nation
Aug-22	Kingfisher Lake First Nation
May-23	Muskrat Dam First Nation
May-23	Bearskin Lake First Nation
Jun-23	Wawakapewin First Nation
Jul-23	Sachigo Lake First Nation
Apr-24	Poplar Hill First Nation
Apr-24	Deer Lake First Nation
May-24	Wunnumin Lake First Nation
May-24	Kasabonika Lake First Nation
May-24	Kitchenuhmaykoosib Inninuwig + Wapekeka First Nation
May-24	North Spirit Lake First Nation
May-24	Sandy Lake First Nation
May-24	Keewaywin First Nation

5. Operational Update

The Settlement Agreement from EB-2021-0134 contemplates the inclusion in this semi-annual report of reporting on details of any updates to WPLP's current operations, and material changes to its long-term operating plans with respect to operations, operating and maintenance systems and practices. These aspects are provided as follows.

5.1 Current Operations

WPLP continues to ramp up its operations staff, adding staff to support engineering, asset management and operations functions. Additional recruiting and procurement activity is in progress, with operational priorities for Q2 and Q3 2022 including:

1. Coordination of construction, commissioning and administrative tasks (e.g. connection agreements, mutual aid agreements, facility and equipment registration, etc.) with HORCI, Hydro One Networks, IESO and WPLP's EPC Contractor leading up to Summer 2022 forecasted in-service dates for the Line to Pickle Lake and a portion of the Remote Connection Lines North of Pickle Lake
2. Technical implementation and testing with a third-party control room services provider and development of dispatching and work protection processes
3. Establishing third-party Maintenance Services Agreements for inspection, maintenance, operation and emergency response activities
4. Engagement and permitting related to the transition from construction access to operational access
5. Advancing fleet and facilities plans, including procurement and storage of spare equipment
6. Continuing inspection, maintenance and operations activity related to WPLP's Pikangikum Distribution System
7. Identifying opportunities to maximize Indigenous Participation in all of the above activities

5.2 Long-term Operating Plans

The operational priorities identified in Section 5.1 are consistent with the description provided by WPLP in EB-2021-0134 related to the development of its Interim O&M Strategy.⁶ Based on the energization schedule update provided in Section 4 above, WPLP expects to remain in a state of balancing construction and commissioning activity with operating and maintenance requirements until mid-2024 and, as such, WPLP does not have any material changes relating to its long-term operating plans to report at this time, relative to the strategy presented in EB-2021-0134. WPLP's pending application for approval of its 2023 revenue requirement will include an update on the status of key components of the Interim O&M Strategy.

⁶ EB-2021-0134; Exhibit B-1-4, Section C

6. IPA Transfer and HORCI Status Updates

The Settlement Agreement from EB-2021-0134 contemplates that WPLP will provide updated information, in respect of each community for which an independent power authority (IPA) will be transferring their distribution system assets to HORCI, on the status of each such IPA community in meeting the transfer conditions included in the IPA community's transfer agreements with ISC and HORCI, subject to WPLP being able to obtain this information from ISC along with consent from ISC to provide it on the public record in WPLP's semi-annual reports. Additionally, in respect of the communities currently served by HORCI, the Settlement Agreement contemplates that WPLP will provide high-level status updates on key milestones relating to those communities' efforts to become ready for connection to WPLP's transmission system. These aspects are discussed below.

6.1 IPA Transfer Agreement Update

Please see Attachment 'B' for the latest status update report provided by ISC. WPLP's understanding from ISC and OSLP is that they do not have community consent to publicly report on the detailed status of all transfer conditions by community. However, Attachment 'B' provides a status update for key project activities by community.

6.2 HORCI Community Status Update

WPLP and its EPC contractor worked with HORCI in Q2 and Q3 of 2021 to complete design activity for all communities being connected to WPLP's transmission system (including current IPA communities). These efforts included site visits to each community, determination of ownership demarcation points, 25 kV line design, and engineering design for demarcation point equipment (e.g. metering, switching and protection equipment).

WPLP's priority for Q2 2022 is to initiate additional coordination efforts with HORCI for the first three communities being connected (Pikangikum First Nation, North Caribou Lake First Nation and Kingfisher Lake First Nation)⁷, with a focus on the following pre-requisites for transmission connection:

1. Delivery, installation and commissioning of demarcation point equipment
2. System phasing and phase rotation considerations
3. Coordination of line work at interconnection points
4. Transmission connection agreements
5. IESO registration requirements (including delivery point metering registration)
6. Settlement processes
7. Any other key milestones identified HORCI, WPLP or the IESO

⁷ Note that all three communities are currently supplied by HORCI, with Pikangikum already being grid-connected through WPLP's temporary distribution connection to HONI.

Upon finalizing the list of key milestones in consultation with HORCI, WPLP will establish similar high-level status tracking/reporting for these milestones, similar to the IPA status update contained in Attachment 'B'. For clarity, WPLP continues to meet regularly with HORCI to exchange more granular schedule details and to update the status of key milestones for connection to WPLP's transmission system.

6.3 IPA Transfer Projects and Forecasted Dates by Community

The IPA Upgrades and Transfer Projects section of Attachment 'B' includes a summary of the status of IPA upgrades and transfer projects by community. Note that the grid connection dates shown in Attachment 'B' are currently aligned with the construction schedule presented in the initial rate application EB-2021-0134 as amended. WPLP expects that these dates will be updated by ISC in future status reports to reflect the revised grid connection dates presented in Section 4, or additional schedule updates as available.

Attachment 'A' – Backup Power Tables

TABLE 1 - Projected Outages, Fuel Requirements, and Fuel Storage for the 16 Connecting Communities

Connecting Community	Current LDC	Tribal Council	Recommended Option for Backup Power <small>See Note 1 & Note 7</small>	Current DGS Capacity (kW)	Projected Outage Duration <small>See Note 2</small>			Projected Annual Fuel Requirements (L) <small>See Note 3</small>							Planned Fuel Storage <small>See Note 4</small>		Critical Assets for Backup		
					Hours/Year	Percent/Year	2023	2024	2025	2026	2027	2028	2029	2030	AVG.	Tanks		Capacity (L)	
1	Bearskin Lake	H1RCI	Windigo	Repurpose Existing DGS	2,044	133.25	1.5%	47,057	48,842	50,698	52,629	54,637	56,625	58,897	61,156	53,818	4	200,000	See Note 5
2	Deer Lake	H1RCI	KO	Repurpose Existing DGS	3,415	88.75	1.0%	73,614	76,462	79,423	82,503	85,706	89,037	92,501	96,104	84,419	6	300,000	See Note 5
3	Kasabonika Lake	H1RCI	Shibogama	Repurpose Existing DGS	3,260	144.25	1.6%	74,913	77,813	80,828	83,964	87,225	90,617	94,144	97,813	85,915	6	300,000	See Note 5
4	Keewaywin	IPA	KO	Repurpose Existing DGS	1,845	104.25	1.2%	43,281	44,915	46,614	48,381	50,220	52,131	54,119	56,187	49,481	4	200,000	See Note 5
5	Kingfisher Lake	H1RCI	Shibogama	Repurpose Existing DGS	2,225	102.25	1.2%	39,529	41,013	42,557	44,162	45,831	47,567	49,372	51,250	45,160	3	150,000	See Note 5
6	Kitchenuhmaykoosib Inninuwug (KI)	H1RCI	IFNA	Repurpose Existing DGS	2,870	125.50	1.4%	90,078	93,584	97,230	101,022	104,966	109,067	113,333	117,769	103,381	3	150,000	See Note 5
7	Muskrat Dam	IPA	IFNA	Repurpose Existing DGS	2,050	117.75	1.3%	47,124	48,912	50,771	52,705	54,716	56,807	58,983	61,245	53,908	4	200,000	See Note 5
8	North Caribou Lake	H1RCI	Windigo	Backup at Critical Assets	2,915	110.00	1.3%	64,160	66,597	69,131	71,766	74,508	77,358	80,323	83,406	73,406	6	300,000	See Note 6
9	North Spirit Lake	IPA	KO	Repurpose Existing DGS	1,815	96.50	1.1%	37,665	39,075	40,541	42,065	43,650	45,299	47,014	48,797	43,013	3	150,000	See Note 5
10	Pikangikum	H1RCI	IFNA	Backup at Critical Assets	0	65.50	0.7%	0	0	0	0	0	0	0	0	0	0	0	See Note 6
11	Poplar Hill	IPA	KO	Repurpose Existing DGS	2,180	81.00	0.9%	45,065	46,770	48,544	50,388	52,307	54,302	56,377	58,534	51,536	4	200,000	See Note 5
12	Sachigo Lake	H1RCI	Windigo	Repurpose Existing DGS	2,340	133.25	1.5%	50,717	52,648	54,657	56,746	58,919	61,178	63,528	65,972	58,046	5	250,000	See Note 5
13	Sandy Lake	H1RCI	None	Repurpose Existing DGS	5,000	104.25	1.2%	155,999	162,109	164,464	175,073	181,946	189,094	196,528	204,260	178,684	8	400,000	See Note 5
14	Wapekeka	H1RCI	Shibogama	Repurpose Existing DGS	2,365	125.50	1.4%	41,634	43,203	44,834	46,530	48,294	50,128	52,036	54,020	47,585	4	200,000	See Note 5
15	Wawakapewin	IPA	Shibogama	Backup at Critical Assets	250	117.75	1.3%	11,830	12,206	12,597	13,003	13,426	13,866	14,324	14,799	13,256	1	50,000	See Note 6
16	Wunnumin Lake	IPA	Shibogama	Repurpose Existing DGS	2,035	128.75	1.5%	65,353	67,870	70,487	73,210	76,041	78,985	82,047	85,232	74,903	6	300,000	See Note 5

Note 1 2020 Backup Power Plan (Section 10, Table 11)

Note 2 2018 BBA Backup Power Study (Section 3.2, Figure 2)

Note 3 2018 H1RCI Backup Stations Report (Appendix 6) and includes monthly testing fuel, fuel for forecasted outages (using 70% of peak load), 5-day January outage fuel (using 85% of peak load) - assuming 4% load growth

Note 4 2018 H1RCI Backup Stations Report (Appendix 1) - H1RCI responsible for ensuring stored fuel in each Connecting Community is sufficient to meet backup power fuel requirements

Note 5 2020 Backup Power Plan (Section 6.3, Table 7) - dedicated backup power being supplied at each 'Critical Asset' including: water & wastewater treatment facilities, lift stations, nursing station, and nurses residences

Note 6 2020 Backup Power Plan (Section 6.3, Table 7) - dedicated backup power being supplied at each 'Critical Asset' including: water & wastewater treatment facilities, lift stations, nursing station, nurses residences, firehall, and school

Note 7 Hydro One Remotes is responsible for backup power response to outages in the thirteen (13) Connecting Communities where the existing DGS are being repurposed for backup power

TABLE 2 - Dedicated Backup Power for Critical Infrastructure in 3 Connecting Communities

Connecting Community	Tribal Council	Current LDC	Existing ISC-Funded Critical Assets	Dedicated Backup Power Source
1 Wawakapewin	Shibogama	IPA	1 Water Treatment Plant	Yes
2 North Caribou Lake	Windigo	H1RCI	1 Water Treatment Plant	Yes
			2 Lift Station #1	Yes
			3 Lift Station #2	Yes
			4 Lift Station #3	Yes
			5 Lift Station #4	Yes
			6 Nursing Station & Nurses Residence	Yes
			7 Firehall	Yes
			8 School	Yes
3 Pikangikum	IFNA	H1RCI	1 Water Treatment Plant	Yes
			2 Community Main Lift Station	Yes
			3 Nursing Station	Yes
			4 School	Yes

Attachment 'B' – ISC Status Report



Status Update: Watay Project Parallel Process Projects
April 12, 2022



IPA Upgrades & Transfer Projects

Overview: In six communities currently serviced by Independent Power Authorities (IPA), bring local distribution (Dx) systems up to provincial standards, construct Compound (C) sites for Hydro One Remote Communities Inc. (REMOTES), collection customer information for REMOTES, and execute Transfer Agreements and permits.

Design Stage:

RECIPIENT	MAIN PROJECT ACTIVITIES				OVERALL STATUS
	ISC PROJECT APPROVAL	DX SYSTEM TENDER PACKAGE AWARDED	REMOTES COMPOUND TENDER PACKAGE AWARDED	CUSTOMER INFORMATION COLLECTION WORK PLAN	
Opiikapawiin Services LP	✓	✓	✓	Circulated to Tribal Councils on Dec 15 th Collection part of Construction Stage	Ongoing: <ul style="list-style-type: none"> • Muskrat Dam Compound Land Use Permits • Transfer Agreement discussions

Construction and Transfer Stage:

RECIPIENT	PROJECT ACTIVITIES AND STATUS						OVERALL STATUS
	DESIGN, TENDER & PRE-CONSTRUCTION	ISC PROJECT APPROVAL	CONSTRUCTION	CUSTOMER INFO COLLECTION	AGREEMENTS / PERMITS (✓ Executed)	GRID CONNECTION DATE***	
Wunnumin	✓	✓	Dx: Substantial completion (and ESA reviewed and approved).	Underway	Transfer Agreement 28(2) permit	May 2023	✓ On track
			C: Well installed, tested, & sampled; spring work includes installing supply line from well to the house and some final grading.				
Muskrat Dam	✓	✓	Dx: Substantial completion (and ESA reviewed and approved).	To be completed	Transfer Agreement MNRF permit (C); LUP imminent (will need to be held in First Nation corp. until closer to	May 2023	✓ On track
			C: Material procurement completed over winter road				

Green = Complete / Yellow = Underway / Red = To be completed

RECIPIENT	PROJECT ACTIVITIES AND STATUS						OVERALL STATUS
	DESIGN, TENDER & PRE-CONSTRUCTION	ISC PROJECT APPROVAL	CONSTRUCTION	CUSTOMER INFO COLLECTION	AGREEMENTS / PERMITS (✓ Executed)	GRID CONNECTION DATE***	
			2022; spring construction to begin.		<i>transfer to Remotes</i> . 28(2) Permit (Dx)		
Wawakapewin	<u>Dx</u> : ✓	<u>Dx</u> : ✓	<u>Dx</u> : Substantial completion (and ESA reviewed and approved).		Transfer Agreement 28(2) permit	May 2023	✓ On track
	<u>C&H</u> : ✓	✓	<u>C&H</u> : Material procured over 2022 winter road; spring construction to begin.				
Poplar Hill	<u>Dx</u> : ✓	✓	<u>Dx</u> : Substantial completion (and ESA reviewed and approved).	Underway	Transfer Agreement MNRF permit (C); <i>LUP has been temporarily assigned to the First Nation until closer to transfer to Remotes</i> . 28(2) Permit (Dx)	April 2024	✓ On track
	<u>C</u> : ✓		<u>C</u> : Well drilling complete; supply line to be connected in spring.				
North Spirit Lake	✓	✓	<u>Dx</u> : Substantial completion (and ESA reviewed and approved).		Transfer Agreement 28(2) permit	May 2024	✓ On track
			<u>C</u> : Substantially complete; some granular being mobilized over winter road				
Keewaywin	✓	✓	<u>Dx</u> : Substantial completion (and ESA reviewed and approved).		Transfer Agreement 28(2) permit	May 2024	✓ On track
			<u>C</u> : Substantially complete				

Green = Complete / Yellow = Underway / Red = To be completed
 GCDOCS # 87251332

Backup Power (BUP) Projects:

Overview: In each connecting community, implement backup power solution based on the Backup Power Plan. Backup power solutions include: community-wide backup power by repurposing the community's existing diesel generating station (community-wide BUP) and dedicated standby generators at ISC-funded community assets (critical asset BUP).

RECIPIENT	TYPE OF BUP	ISC PROJECT APPROVAL	ENVIRON. SITE ASSESSMENT	ESA, TSSA & FIRE SAFETY ASSESSMENT**	DESIGN	CONSTRUCTION	AGREEMENTS / PERMITS (✓ Executed)	GRID CONNECTION DATE***	OVERALL STATUS
Pikangikum	Critical Asset	✓	N/A – critical asset only		Investigation underway		N/A	December 2018	Delayed
Kingfisher	Community-wide and critical asset	✓	N/A – REMOTES community		Design underway		Electrification Agree. 28(2) Permit	June 2022	✓ On track
North Caribou Lake	Critical Asset	✓	N/A – critical asset only		Investigation underway		N/A	June 2022	✓ On track
Wawakapewin	Critical Asset	No critical asset BUP gaps to address						May 2023	✓ Complete
Wunnumin	Community-wide* and critical asset	✓		ESA and Fire Safety inspection complete	Design underway		Operating Agreement Permit: TBD	May 2023	✓ On track
Muskrat Dam	Community-wide* and critical asset	✓			Investigation underway		Operating Agreement Permit: TBD	May 2023	✓ On track
Poplar Hill	Community-wide* and critical asset	✓	Phase II ESA required		Design underway		Operating Agreement Permit: TBD	April 2024	✓ On track
Deer Lake	Community-wide and critical asset	✓	N/A – REMOTES community		TOR**** in development		Electrification Agree. 28(2) Permit	April 2024	✓ On track
North Spirit Lake	Community-wide* and critical asset	✓			TOR in development		Operating Agreement Permit: TBD	May 2024	✓ On track
Keewaywin	Community-wide* and critical asset	✓			TOR in development		Operating Agreement Permit: TBD	May 2024	✓ On track

Green = Complete / Yellow = Underway / Red = To be completed
GCDOCS # 87251332

PROJECTS TO COMMENCE IN 2022-2023 FISCAL YEAR:								
Bearskin Lake	Community-wide and critical asset		N/A – REMOTES community			Electrification Agree. 28(2) Permit	May 2023	✓ On track
Kasabonika	Community-wide and critical asset		N/A – REMOTES community			Electrification Agree. 28(2) Permit	June 2023	✓ On track
Kitchenuhmaykoosib Inninuwug	Community-wide and critical asset		N/A – REMOTES community			Electrification Agree. 28(2) Permit	June 2023	✓ On track
Sachigo Lake	Community-wide and critical asset		N/A – REMOTES community			Electrification Agree. 28(2) Permit	June 2023	✓ On track
Wapekeka	Community-wide and critical asset		N/A – REMOTES community			Electrification Agree. 28(2) Permit	June 2023	✓ On track
Sandy Lake	Community-wide and critical asset		N/A – REMOTES community			Electrification Agree. 28(2) Permit	May 2024	✓ On track

*Assuming agreement can be reached between parties (Canada (ISC), REMOTES, and First Nation)

**ESA = Electrical Safety Authority / TSSA = Technical Standards and Safety Authority

***Connection dates are from Watay Power's semi-annual update to the OEB in October 2021

****TOR = Terms of Reference

Green = Complete / Yellow = Underway / Red = To be completed

GCDOCS # 87251332