



December 9, 2025

Ms. Lesley Gallinger, Chief Executive Officer and President
Independent Electricity System Operator in Ontario (IESO)
1600-120 Adelaide Street West
Toronto, ON M5H 1T1

Re: TC Energy Pumped Storage Proposal Meaford Site (4CDTC)

Dear CEO Gallinger,

In a November 2021 letter to the IESO, obtained by Save Georgian Bay through the provincial Freedom of Information and Protection of Privacy (“FIPPA”) process, Minister of Energy Smith acknowledged that the IESO had concluded that Albert Based, TCE Corporation, Proposed Pumped Storage Plant Project does not provide sufficient value to Ontario’s electricity consumers. It is our understanding this was communicated by IESO to the Minister’s office more than once, as this proposal lifecycle has progressed. Minister Smith also shared his concerns about the Project’s high cost with Save Georgian Bay at our November 16, 2023 in person meeting in the Ministry’s Toronto offices. We concur with both the IESO’s and the Ministry of Energy’s concerns about the project’s ratepayer value and costs.

The current Minister of Energy Steven Lecce appears to be pushing for the project. While we would like to trust that Minister Lecce would make a balanced decision considering ratepayer value, environmental impacts, contemporary alternatives and the unique risks to the community and habitat posed by the site, construction process and operation, we have doubts. He seems to have an interest in supporting TCE, which overwhelms all other factors. Save Georgian Bay opposes this project and wants to see it cancelled. There is not enough information supporting the safety and effectiveness of this project for it to go forward. At the very least, all information about the project should be brought forward, made public and independent studies must be conducted to fully justify the project in comparison to alternative approaches. We do not believe the project will pass the test of that scrutiny.

Our research indicates, TC Energy’s cost estimates, a two-year old number of \$7 billion, continue to underestimate the ultimate gross dollar cost of the project. Save Georgian Bay’s estimate is now upwards of \$10 billion. But admittedly this is based on assumptions, estimates and information about the design and construction process we have accumulated. Such a number has not been disclosed by TCE to the public. We ask that IESO and/or TCE provide an updated cost estimate, with all categories of costs, and make it public. This cost estimate should include TCE’s projection of future refurbishment or facility update costs. For the Ludington, Michigan PSP, presented as a model for TCE’s proposal, these refurbishment costs have proven to be a multiple of the original build cost. We are asking for a full Schedule of ALL Costs and funding, federal, provincial, local and any/all others, and a Pro Forma for the project over the course of the prospective 50-year contract. For the benefit of Ontario’s ratepayers, we ask for these estimates be released to the public well before any advancement of the project. We have taken note that one of your operating principles is “*Operating and shaping the electricity system and market in an effective and transparent manner.*” Transparency has been absent from TCE’s and the government’s process, as this proposal has been advanced over the last 8 to 10 years. TCE has claimed they are transparent yet will not release their studies to date and have even claimed they won’t until they have a contract with the province.

Another of IESO’s principles is: “*Planning for and competitively procuring the resources that meet Ontario’s electricity needs today and tomorrow.*” The energy this project is proposed to provide has not been evaluated under competitive processes. We insist that for the benefit of Ontario ratepayers, competitive alternatives to the technology, cost, site, environment impacts and community risks be fully studied and released to the public prior to any advancement of the project.

We have heard TCE presentations recommending non-economic factors be allowed into the deliberation around this project. The impacts on the Georgian Bay community, including risks to 35 Species At Risk, the habitat, the atmosphere and water and the likely intrusion of the site's significant contamination from decades of military use must be considered by IESO, if anything other than ratepayer value is introduced into the evaluation of the project. Again, we demand, for protection and sustainability of the pristine Georgian Bay environment, and for the people of the many municipalities surrounding the Bay, that all the factors are comprehensively and independently studied and released to the public prior to any advancement of the project. TCE has to date, refused to release any preliminary or completed studies to the public after years of gathering that information.

TCE's justification appears to have changed as the environmental impact, cost of the project and poor ratepayer value have become more visible to the people of Ontario.

Why The Proposed Pumped Storage Project (PSP) Must Be Stopped:

- **Active and Contaminated Military Base:** The proposed site is on an active military base and TCE's proposed development cannot avoid creating major disruption to military operations. The 4th Canadian Division Training Centre (4CDTC) is on the Escarpment and has been operating for active fire training since World War II with significant documented contamination and no cleanup plan. Construction on the land and in the water risks spreading contaminants throughout Georgian Bay.
- **Environmental Risk for Ontario and the Great Lakes:** Contaminants released into Georgian Bay risk flowing into the broader Great Lakes water shed, impacting millions of people and ecosystems. Despite claiming transparency, TC Energy has not published their detailed design, construction plan, latest cost estimates, geological or environmental studies, leaving the public and decision-makers without critical information.
- **Species at risk:** Thirty-five Species at Risk (SARs) are known to have habitats on the base, many of them in the area proposed for construction. In addition, there would be significant fish kill associated with the open loop design of the project.
- **TCE's cost estimates have ballooned from \$2.3 billion to over \$7 billion:** TCE's latest number is over two-years old. Our experts are now estimating the project would cost over \$10 billion. This does not include refurbishment costs during the lifetime of the project. Refurbishment costs for the model project in Ludington, Michigan were multiples of the original cost of the project. No one knows the ultimate cost of this project. The burden on ratepayers and taxpayers is extreme. This project was rejected at least twice by Ontario's Independent Electricity System Operator (IESO) for providing no economic value to Ontario ratepayers.
- **Karst Topography – Structural Instability:** The proposed site sits on karst topography, a geological formation of soft limestone prone to sinkholes and fractures. This is a very different base than the model project in Ludington, Michigan. This makes large-scale excavation and massive water storage inherently dangerous for the 4 CDTC and the over 300 homes and farms with 1,000 residents living nearby and below the proposed reservoir. Their safety, well-being and property values are at risk. In the Ludington model project, very few people live below the reservoir. Similar projects have had dam breaks and leaks.
- **Regional Opposition:** Six municipalities around Georgian Bay have passed resolutions opposing this project. The population at risk touching the Georgian Bay watershed is estimated at 300,000. Georgian Bay is unique and special. Damage to Georgian Bay will create an uproar.
- **Inefficient, Old Technology:** Open loop pumped storage is outdated technology under the best of circumstances. It would require over 1,400 MGW to fill the reservoir and produce only 1,000 MGW, 67% efficiency at best. Contemporary technologies for energy storage, on the grid, can provide 1,000 MGW requiring only 1,100 MGW, a 92% efficiency, with advances in performance year by year. This reflects a loss of only 8% for this storage solution to work. The costs of contemporary energy storage solutions are decreasing. The costs of hydro solutions are increasing. This is not an effective solution for Ontario power storage, for Ontario's ratepayers.
- **Construction and Operation Risk:** This will be TCE's first time building and operating a pumped storage facility of massive scale in which many risks exist. Even in TCE's primary business, which it has decades of experience with, reports show a poor safety and environment record in North America. From The Polaris Institute report, *Unplugging the Dirty Energy Economy*, June 2015 “According to the National Energy Board, 17 of the 39 major pipeline accidents in Canada (from 1992 to 2014) were on pipelines

owned by TransCanada or its subsidiary NGTL. TransCanada-owned pipelines thus account for almost half of the serious breaches reported by the NEB on federally regulated pipelines in over two decades. The NEB only discloses 'reportable' breaches and investigations by CBC News found that from 2000-Nov. 2012, there were 1,047 pipeline incidents in Canada and of these, 364 were related to TransCanada or NGT."

The IESO is at the forefront of the review of the project. The citizens of Ontario deserve your full effort on their behalf, in accordance with your mission, your purpose in serving Ontario, to meet your mandate, and either decline this project outright or insist on the completion and public release of appropriate environmental studies, design and construction plans, and full cost estimates prior to any further consideration of the project. We believe a complete and prudent analysis of these studies will result in cancelling the proposal.

Our Save Georgian Bay Directors also request a meeting with you, in person, or virtually, prior to the end of December, to discuss the issues around consideration of the project. Please let us know at tbuck@savegeorgianbay.ca of times that would be available for a meeting.

Sincerely,

Tom Buck

Tom Buck
for Save Georgian Bay
www.savegeorgianbay.ca

cc:

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