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Ontario Electricity Distribution · Indigenous Equity

Ontario's Missing Eleventh Recommendation

Why Ontario's LDC modernization strategy should include Indigenous ownership

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OVERVIEW – CHIEF KELLY LAROCCA

A $100 billion build-out, and a missing partner

Ontario's electricity distribution sector is entering one of the largest investment cycles in its history. The province's 60 Local Distribution Companies (LDCs) face well over $100 billion in capital requirements over the coming decades to modernize aging infrastructure, accommodate growth, support electrification, connect major industrial investments and strengthen grid resilience.

The Panel for Utility Leadership and Service Excellence (PULSE) Report, released October 27, 2026 by Ontario's Ministry of Energy and Mines, sets out the sector's future:

- **Electricity demand surge.** A projected 65–75% increase in electricity demand by 2050, driven by electric vehicles, industry, data centres and housing, requiring an estimated $120 billion LDC build-out.
- **Outdated frameworks.** Regulatory, governance and funding models were built for flat demand and cost containment, not large-scale expansion.
- **Key recommendations.** Ten recommendations covering long-term asset planning, utility governance, permanent departure tax reform, access to public capital (such as the Building Ontario Fund) and workforce training.

At the same time, Indigenous Nations have emerged as major investors in Canada's energy economy. New federal financing measures in the November 5, 2026 budget build on existing programs from the Government of Canada, the Canada Infrastructure Bank (CIB) and Ontario's Indigenous Opportunities Financing Program (IOFP).

Yet despite the rapid growth of Indigenous ownership in electricity generation, transmission and major infrastructure projects, **Indigenous equity participation remains largely absent from discussions about the future of Ontario's electricity distribution sector.** This Minogi–IEM report argues that Indigenous ownership should become a core element of Ontario's modernization strategy, and proposes an "Eleventh Recommendation" to complement PULSE's ten.

THE ELEVENTH RECOMMENDATION

Make Indigenous equity a strategic objective of electricity distribution modernization in Ontario.

01 · THE CASE IN ONE PAGE

First Nations are already serious infrastructure owners

Ontario's 60 local distribution companies face well over $100 billion in long-term capital requirements as they replace aging assets, serve new housing and industry, connect electrification loads and strengthen resilience.

The PULSE report correctly identifies the need for capital, modernization and stronger utility structures. It does not fully recognize one of the most important changes in Ontario's electricity economy: First Nations have become serious infrastructure owners and investors.

INDIGENOUS OWNERSHIP IS ALREADY AT SCALE IN ONTARIO

111 generation projects	19 transmission lines	$48.5B+ known project value
665 MW operating storage capacity	2,320 MW operating generation capacity	2,550 km operating transmission footprint

Source: Indigenous Energy Monitor, as of November 2026. Generation projects 0.5 MW or greater.

The evidence now points in one direction.

- First Nations already own electricity generation, transmission, storage and community distribution assets.
- Every successful project in the first windows of the Independent Electricity System Operator's (IESO) LT2 energy and capacity procurement included Indigenous equity.
- Public loan-guarantee and infrastructure-financing tools for Indigenous equity have reached multi-billion-dollar scale.
- Ontario's electricity system operator is now hard-wiring Indigenous equity into future transmission procurement.

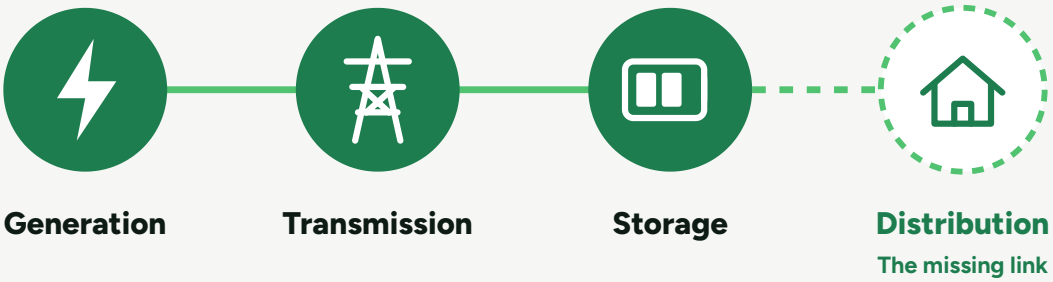
Distribution is the missing link.

BUY ONTARIO SHOULD INCLUDE WHO OWNS ONTARIO INFRASTRUCTURE

Buy Ontario policy is usually framed around goods and services. The same economic logic applies to equity. If Ontario LDCs require outside capital, the choice should not default to foreign infrastructure funds or financial investors whose returns leave the province. **First Nation equity is Ontario-based, long-term capital.** It keeps a share of regulated infrastructure returns in Ontario communities, strengthens domestic ownership of strategic assets and aligns investment with regional growth.

This is not an argument to exclude foreign capital. It is an argument that provincially supported recapitalizations, consolidations and growth projects should test for qualified Indigenous co-investment first, alongside municipalities, Ontario pension capital and other Canadian investors. A credible Buy Ontario strategy should value domestic ownership as well as domestic procurement.

> *"Ontario's energy sector is changing rapidly, yet public reporting on Indigenous participation in the electricity system remains limited. Through our collaboration with Minogi, we're providing practical data and analysis to inform policy and investment decisions."*
>
> **Robert Williamson**
> Founder, Indigenous Energy Monitor



02 · THE PULSE REPORT

Why PULSE was commissioned

The Panel for Utility Leadership and Service Excellence was commissioned to address several critical factors facing Ontario's electricity system:

01

Unprecedented electricity demand

Significant demand growth driven by electrification, population increases, housing development and expanding economic activity across every region of the province.

02

Need for sector evolution

With the Electricity Distributors Association projecting a potential $120 billion build-out, the sector must evolve to keep access to electricity reliable, affordable and timely: essential for competitiveness, housing, investment and climate objectives.

03

Outdated frameworks

Many governance, regulatory and funding arrangements were designed over the past two decades for cost containment and incremental investment, not large-scale expansion.

04

Assessing sector readiness

PULSE was asked whether utilities, municipal owners, regulators and governments have the tools to sustain investment while upholding reliability, affordability and customer protection.

> *"Indigenous equity is not simply a reconciliation objective. It is an infrastructure strategy. Ontario is facing unprecedented electricity investment requirements. Indigenous capital is a core part of the solution for electricity generation, transmission and storage. Indigenous capital should now be part of the solution for modernizing Ontario's electricity distribution system."*
>
> **Chief Kelly LaRocca**
> Mississaugas of Scugog Island First Nation

The PULSE challenge, and why Indigenous capital fits

The PULSE report describes a distribution sector moving from an era of flat demand and incremental investment into sustained expansion. Ontario's distributors are becoming the critical link between provincial policy and real outcomes: new housing, industrial growth, electric transportation, building electrification, distributed energy resources and customer reliability. The sector may require up to $120 billion over the next two decades, but many governance, regulatory and funding arrangements were built for cost containment rather than rapid growth.

PULSE therefore calls for stronger long-term asset, funding and workforce plans; skills-based and independent governance; dividend policies that do not undermine capital programs; regulation that supports timely investment and achievable returns; greater delivery capacity; and market-led coordination or consolidation where scale is required. Indigenous investment does not replace those reforms. It makes them more workable by adding aligned capital and Ontario-based ownership partners.

The PULSE challenge, the risks, and how Indigenous investment directly helps

PULSE challenge	What is at risk	How Indigenous investment directly helps
Capital and funding capacity	A potential $120 billion build-out, while dividend demands and municipal balance sheets constrain reinvestment.	Adds patient equity, diversifies capital sources and can reduce the amount municipalities or LDCs must fund alone.
Growth and connection readiness	Delays connecting housing, industry, data centres, EV charging and electrification loads.	Provides capital aligned with long-lived regulated assets and supports earlier investment in growth-enabling infrastructure.
Governance and investor confidence	Boards and ownership structures designed for stable demand may not attract outside capital or manage larger programs.	Brings experienced Indigenous investment entities into disciplined governance, due diligence and long-term asset stewardship.
Workforce and delivery capacity	Retirements, shortages and a larger project pipeline can slow construction and operations.	Long-term partnerships can link ownership to regional training, employment and capacity-building commitments without confusing procurement with equity.
Scale, coordination and consolidation	Fragmentation can limit purchasing power, specialized expertise and financing efficiency.	Indigenous co-investment can create a constructive partner for consolidation, shared-service platforms and regional growth assets.
Affordability and customer protection	Large capital programs must be financed without weakening reliability or imposing avoidable costs.	Competitive Indigenous capital can broaden financing options while keeping returns in Ontario communities and under Canadian ownership.

This comparison strengthens the Eleventh Recommendation. PULSE has already established the need to attract outside capital and modernize ownership and governance. **Ontario should now make Indigenous equity a preferred domestic pathway within that reform agenda**, subject to commercial due diligence, competitive terms and the interests of municipal shareholders and participating First Nations.

03 · A FOUNDATION BUILT OVER DECADES

Indigenous participation in electricity delivery already exists

Ontario does not need to invent Indigenous participation in electricity delivery. It already exists in several forms, each demonstrating a different capability relevant to LDC modernization.

James Bay coast: ownership across the delivery chain

Distribution + transmission | Since 2001 | ~270 km

Attawapiskat, Fort Albany and Kashechewan own community distribution utilities and jointly own Five Nations Energy, Ontario's First Nation-owned and operated transmitter. Since 2001, its approximately 270-kilometre Omushkego Ishkotayo system has linked the James Bay coast to the provincial grid. The model demonstrates local utility operation, regional infrastructure ownership and long-term service responsibility.

The book and documentary "Over My Dead Body: The Story of Five Nations Energy Inc." tells the story of Canada's first 100% Indigenous-owned electricity transmission and distribution network. The title comes from a gruelling 1998 meeting on the 19th floor of the Ontario Hydro building in Toronto, where Indigenous leaders pushed to build their own power line through the James Bay region instead of relying on overloaded local diesel generators. A senior Ontario Hydro official famously told Five Nations Energy leader Ed Chilton and the chiefs: *"You'll build that line over my dead body."* The phrase became a symbol of the immense bureaucratic, financial, and systemic resistance they faced, keeping a tally of 37 "nos" before breaking through.

Wataynikaneyap Power: regional transformation at scale

51% owned by 24 First Nations | ~1,800 km | 22 substations | 17 remote communities

Wataynikaneyap Power is 51% owned by 24 First Nations. Its approximately 1,800 kilometres of 230 kV, 115 kV and 44 kV lines and 22 substations were built to connect 17 remote First Nations across northwestern Ontario. The project is not simply a transmission investment. It changes the distribution future of an entire region by replacing constrained diesel-based supply with grid access capable of supporting housing, schools, health and public services, business growth and future community loads. "The line that brings light" avoids millions of tonnes of greenhouse gas emissions (estimated at over 6.6 million tonnes of CO_2e over time) and eliminates diesel spill risks.

The project was supported by a $300 million loan guarantee from Ontario's Indigenous Opportunities Financing Program (then known as the Aboriginal Loan Guarantee Program, or ALGP).

Wataynikaneyap Power also shows why ownership matters. A First Nation-controlled platform developed regional infrastructure, while local distribution arrangements continue to evolve as communities connect. It is a practical example of Indigenous ownership delivering system expansion, reliability, capacity and regional development together. Fortis Inc. holds a 49% stake in the partnership, supporting the First Nations' requirement for majority ownership and self-determination through a pathway designed to transition to 100% First Nation ownership. FortisOntario Inc., a regulated Ontario LDC serving communities including Fort Erie, Port Colborne, Cornwall and the Mohawk Territory of Akwesasne, acts as project manager.

Hydro One: broad exposure, but not direct LDC ownership

129 First Nations | ~2.4% of Hydro One | 2018

On January 2, 2018, the Government of Ontario sold 14,391,012 common shares (about 2.4% of Hydro One Limited) to OFN Power Holdings LP, representing 129 First Nations through the Ontario First Nations Sovereign Wealth Fund (OFNSWF). At the time, it was one of the largest commercial transactions among First Nations in Ontario. The OFNSWF exists to provide First Nations with meaningful opportunities for collective wealth creation and to advance economic development.

The OFNSWF gives its 129 First Nation partners passive exposure to Ontario's largest transmission and distribution utility. It does not provide ownership or governance rights in particular distribution systems, assets or modernization projects. That is the gap the Eleventh Recommendation should address.

WHAT THE HISTORY PROVES

First Nations already operate local utilities, own regional transmission systems and invest in Ontario's largest utilities. **The issue is no longer capability.** It is whether policy and transaction structures will provide direct access to mainstream LDC investment opportunities. That is the gap the Eleventh Recommendation addresses.

04 · PROCUREMENT EVIDENCE

Current procurement makes the next step obvious

Ontario electricity procurement has moved rapidly from encouraging Indigenous participation to normalizing Indigenous equity in successful projects.

LT1 · STORAGE

9 of 10 projects

Nine of the ten successful storage projects included 50 or 51 per cent Indigenous equity, about 1,404 MW of the 1,784 MW contracted. Indigenous ownership became the dominant storage model, though not yet universal across the full procurement.

LT2 WINDOW 1 · ENERGY

14 of 14 projects

All 14 successful energy projects included Indigenous equity partnerships, generally near 50 per cent, representing 1,315 MW of new solar and wind supply.

LT2 WINDOW 1 · CAPACITY

3 of 3 projects

All three successful capacity projects included 50 per cent Indigenous equity, adding 640 MW of eight-hour battery storage. Across both LT2 streams, all 17 winners included Indigenous equity.

The same direction is emerging in transmission

The IESO is developing the Transmitter Selection Framework for the Toronto Third Line and future competitive transmission projects. Its approach includes Indigenous engagement and participation requirements, a minimum Indigenous equity offer, and rated criteria that can reward stronger equity and economic commitments. The principle is important: **design Indigenous ownership into procurement before the project structure is fixed.**

05 · FINANCING

The financing architecture now exists

A decade ago, limited access to affordable debt was a major barrier. Today, the federal and provincial architecture is far stronger.

$10B

Canada Indigenous Loan Guarantee Program

The **CILGP** has increased to $10 billion.

$3B

Ontario IOFP

The **Indigenous Opportunities Financing Program** has tripled to $3 billion, administered by the Building Ontario Fund.

~$715M

Combined IOFP + CILGP

Supporting the **Williams Treaties First Nations' investment in Darlington New Nuclear**.

The **Canada Infrastructure Bank** can also support eligible Indigenous equity in revenue-generating infrastructure. Ontario has used the **IOFP to support increased First Nation ownership in numerous electricity system projects**, now totalling over $1.3 billion in financial guarantees, including but not limited to:

East-West Tie Transmission Line	**$75M**	Bruce-to-Milton Transmission Line	**$50M**
Chatham-Lakeshore Transmission Line	**$45M**	Niagara Region Wind Farm	**$33M**
Grand Bend Wind Project	**$29M**	Peter Sutherland Sr. Generating Station	**$17.62M**

These tools do not eliminate commercial due diligence, governance requirements or transaction risk. They do, however, remove the argument that Indigenous Nations cannot finance meaningful interests in long-lived regulated assets.

THE REMAINING POLICY GAP

Ontario has capital needs, capable Indigenous investors, successful ownership precedents and financing tools. What it lacks is **an explicit mandate and a repeatable pathway** connecting those elements in the electricity distribution sector. The practical task is to make appropriate LDC and distribution investments eligible, bankable and available.

06 · THE RECOMMENDATION

THE ELEVENTH RECOMMENDATION

Make Indigenous equity a strategic objective of electricity distribution modernization in Ontario.

Implementation should begin with four actions:

01

Ministry direction on investment pathways

Direct the Ministry of Energy and Mines, the Ontario Energy Board and the Building Ontario Fund to identify viable LDC and distribution investment pathways for First Nations.

02

Confirm Indigenous LDC equity pathways

Confirm that eligible LDC equity, distribution assets, project vehicles and consolidation transactions can access the IOFP and relevant federal financing programs.

03

Require early assessment of Indigenous co-investment

Require provincially supported LDC modernization or consolidation transactions to assess Indigenous co-investment early, before ownership and financing structures are fixed.

04

Build the joint equity pipeline

Create a joint pipeline process involving municipalities, LDCs, First Nations and financing institutions to develop the first investable transactions.

This approach is not a quota, and it does not require a single ownership model. Transactions could include minority equity in an LDC, investment in a distribution subsidiary, co-ownership of major growth assets or participation in a consolidation vehicle. The appropriate structure will depend on municipal objectives, regulatory requirements, asset economics and First Nation priorities.

> *"First Nations are ready to bring long-term capital to Ontario's electricity distribution system. That capital can help utilities invest sooner in the infrastructure needed for housing, industry, electrification and reliability, while broadening financing options and protecting affordability for ratepayers. Ontario should start building those investment pathways now."*
>
> **Don Richardson**
> Minogi Corp., Mississaugas of Scugog Island First Nation

CONCLUSION

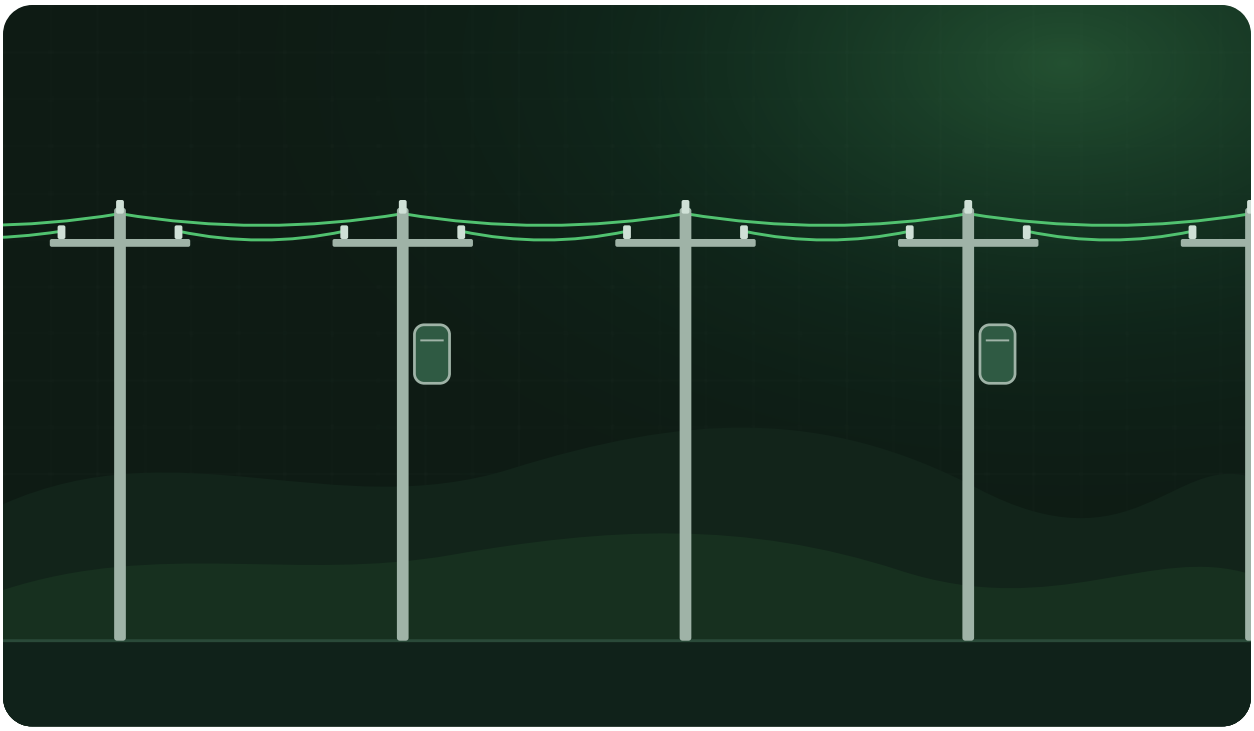
A generational opportunity

Ontario's electricity system is entering a period of historic growth and transformation. At the same time, Indigenous Nations are entering a new era of participation as investors, owners and strategic partners in infrastructure development.

The conversation should move beyond whether Indigenous ownership is desirable. The more important question is how quickly governments, utilities, regulators, municipalities, investors and Indigenous Nations can work together to ensure Indigenous capital becomes part of the solution.

Ontario's electricity future will require unprecedented investment. Indigenous Nations are increasingly ready to invest. Public policy should help bring those two realities together.

Ontario's distribution sector needs capital and long-term partners. First Nations have shown they can own and govern electricity infrastructure, finance large investments and deliver regional benefits. The IESO is already embedding Indigenous equity in generation and transmission procurement. Governments have built the financing tools. **The historical foundation and current evidence now lead to an obvious conclusion: Indigenous equity should be part of Ontario's distribution-modernization strategy.**



ABOUT THE AUTHORS

Chief Kelly LaRocca, LL.B., LL.D. (h.c.)

Chief, Mississaugas of Scugog Island First Nation
Director, Minogi Corp.

Chief Kelly LaRocca has served as Chief of the Mississaugas of Scugog Island First Nation since 2013. A lawyer and experienced First Nation leader, she brings more than a decade of elected leadership in Indigenous governance, treaty negotiations, community infrastructure, economic development and major-energy project participation.

Chief LaRocca holds an honours degree in philosophy from Western University and a Bachelor of Laws from the University of Windsor. She also studied Aboriginal law at the University of Victoria and practised civil litigation in Toronto before returning to her community in 2008. She first served as a member of Council and was subsequently elected Chief. In 2025, York University awarded her an honorary Doctor of Laws in recognition of her community leadership and contributions to Indigenous rights, reconciliation, education and economic development. She serves as a Director of the First Nations Land Advisory Board, Chair of the Ogemawahj Tribal Council, and a member of the Board of Trustees of The Hospital for Sick Children, joining the SickKids Board of Trustees in 2023.

Chief LaRocca has been a strong advocate for First Nations to move beyond consultation toward meaningful partnership, investment and ownership in major projects. As a Director and Treasurer of Minogi Corp., she has supported MSIFN's growing participation in energy, infrastructure and economic-development opportunities. In particular, she has helped advance the Williams Treaties First Nations' participation in Ontario Power Generation's Darlington New Nuclear Project investment – the first Small Modular Reactor in the G7. This major $700 million first-of-a-kind investment recently received a prestigious award from the Canadian Council for Public Private Partnerships.

Don Richardson, Ph.D.

President & CEO, Minogi Corp.

Don Richardson is President & CEO of Minogi Corp., the economic development and investment corporation of the Mississaugas of Scugog Island First Nation. He has extensive experience with Ontario Energy Board regulatory proceedings and policy processes affecting local distribution companies, including rates, utility planning, reliability, service quality and the evolving role of distributed energy resources. He has contributed to OEB technical and policy working groups and serves on the IESO's Transmission-Distribution System Working Group.

He has been closely involved in structuring and advancing First Nation equity participation in major Ontario generation, transmission, storage and nuclear projects. At Minogi, he brought forward and closed MSIFN's investment in OPG's Darlington New Nuclear Project (Ontario's first grid-scale SMR, GE Vernova's BWRX-300) with the Williams Treaties First Nations and WTFN Investment Holdings LP, for which he is Co-Chair. His work brings together practical experience in utility regulation with the emerging role of First Nations as long-term infrastructure investors and owners.

Robert Williamson, B.Comm

Founder, Indigenous Energy Monitor

Robert Williamson is the founder of Indigenous Energy Monitor, Canada's first market intelligence platform dedicated to Indigenous participation in energy and resource development. His work focuses on improving the data, research and analysis available on Indigenous equity ownership, impact benefit agreements, revenue-sharing and procurement. His background spans sustainability consulting and major infrastructure advisory across utilities, oil and gas, and low-carbon fuels, giving him a cross-sector view of how energy projects are financed and delivered.

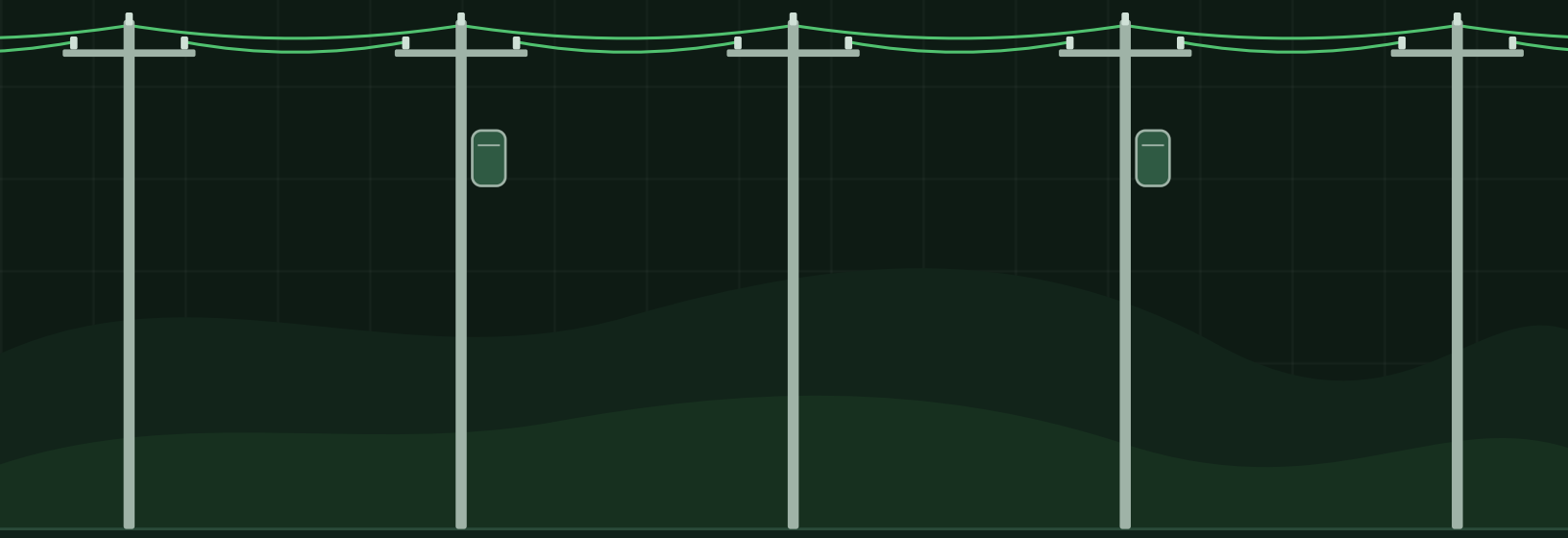
Through IEM, he tracks the growth of Indigenous equity ownership and provides analysis that makes that role more visible in energy policy and investment decisions. He has been nationally recognized for leadership in sustainability and innovation, receiving an award valued at over $100,000 for thought leadership in public policy.

ABOUT THIS REPORT

This report is the first joint output of the Strategic Partnership Agreement between **Minogi Corp.** (Minogi) and **Indigenous Energy Monitor** (IEM). It pairs Minogi's operational and investment experience with IEM's data and market intelligence to provide a clearer view of Indigenous participation in Ontario's energy and infrastructure sectors.

Minogi is the economic development and investment arm of the **Mississaugas of Scugog Island First Nation**, active across nuclear, transmission, energy storage, generation, Indigenous equity investment, regulatory engagement and supply chain development in Ontario.

IEM is Canada's first market intelligence platform dedicated to tracking Indigenous participation in the energy and resource sectors. It provides data, advisory and education services to investors, industry, Indigenous organizations and policymakers.



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