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Bill 5 Receives Royal Assent: What's Next for Ontario's Construction & Infrastructure Sectors?

Amid ongoing tariffs and persistent economic uncertainty, Ontario has taken a significant legislative step with the passage of Bill 5, the *Protect Ontario by Unleashing our Economy Act, 2025*. Receiving royal assent on June 5, 2025, several provisions of the Act came into force immediately. Already prompting public debate, the impacts of Bill 5 are expected to be far reaching and significant for Ontario's construction and infrastructure sectors.

Bill 5 at a Glance

Bill 5 amends various pieces of legislation to streamline the permitting and approval processes for mining and critical infrastructure projects in Ontario, and limit foreign participation in Ontario's energy sector. Notably, Bill 5 provides new power to the Ontario government to fast-track construction by designating "special economic zones" which would exempt certain projects from the application of provincial and municipal laws.

Key Amendments & Practical Implications

Legislation amended by Bill 5 includes the *Electricity Act, 1998*, *Endangered Species Act, 2007*, *Environmental Assessment Act*, *Environmental Protection Action*, *Mining Act*, *Ontario Energy Board Act, 1998, Ontario Heritage Act*, *Rebuilding Ontario Place Act, 2023*, and the *Special Economic Zones Act, 2025*.

Of the many noteworthy impacts resulting from Bill 5, key impacts include the following:

- *Electricity Act, 1998*: The amendments authorize the Minister of Energy to direct the Independent Electricity System Operator (IESO) to limit or prohibit electricity procurement based on country of origin. It also restricts the IESO and Ontario Power Generation from entering procurement contracts that do not comply with the requirements of the regulations, including based on geographic origin.

- *Endangered Species Act, 2007*: This Act, which identifies and protects species at risk, will be replaced by the *Species Conservation Act, 2025*, to introduce a "registration first" approach that allows projects to begin after online registration with the "Species Conservation Registry" to eliminate the need to wait for permit approvals.
- *Mining Act*: The amendments propose a "one project, one process" regime that enables the Minister of Mines to establish a "mine authorization and permitting delivery team" to expedite application, review, and decision-making processes for any project designated by the Minister. The Minister is granted new discretionary powers to protect the "strategic and national mineral supply chain", including empowering the Minister to suspend the Mining Lands Administration System (MLAS) for certain periods, suspend restrict or terminate user MLAS accounts or prospector's licenses, deny lease issuance and unilaterally cancel claims, licenses or terminate leases without a prior notice or hearing.
- *Ontario Heritage Act*: The Lieutenant Governor in Council's power to exempt any property from a requirement for an archaeological assessment under the *Ontario Heritage Act*. It also empowers the Minister to order inspections to assess whether any artifacts or archaeological sites are on the land, authorizes the Minister to appoint investigators to conduct investigations, and authorizes the Minister to make assessment orders.
- *Special Economic Zones Act, 2025*: This new Act allows the Ontario government to designate areas that are critical to Ontario's economy and security as "special economic zones" where select projects will benefit from faster permitting, streamlining of permits and approvals and simplified requirements.

In addition to concerns from environmental groups, the response to Bill 5 from First Nations groups across Ontario has been swift, with many groups expressing concerns that Bill 5 weakens environmental protections and reduces consultation requirements with First Nations. We expect that these developments will continue as Bill 5 is integrated into projects across Ontario.

Moving Forward

Lenczner Slaght will continue to monitor ongoing developments and changes arising from Bill 5. If you have any questions on how the recent enactment of Bill 5 can impact your current or

future projects, we are here to help.