IESO Response to Baseline 56.0 Comments

Updates to Connection Process Deposit

Following the July 23rd, 2026 Updates to Connection Process Deposit webinar, the IESO invited stakeholders to provide comments about the proposed changes via the Baseline Process by August 7th, 2026. To support transparency and stakeholder engagement, the IESO has provided the consolidated responses below addressing the principal themes identified in the submitted comments. The presentation materials have been posted on the Updates to Connection Process Deposit engagement webpage.

Thank you to stakeholders for your feedback on the proposed amendments to Market Manual 1.4: Connection Assessment and Approval regarding connection process deposits. The IESO appreciates the support for the revisions, thoughtful comments and the shared objective of ensuring that the connection process remains efficient, transparent, and supportive of informed investment decisions.

As part of an ongoing initiative to streamline and increase transparency of the connection process, the proposed amendments update the connection process deposit framework to better align deposited amounts with the expected costs incurred by the IESO in conducting connections and to improve cost recovery during the assessment process.

Stakeholder comments relate more broadly to the overall connection process, including study scoping, cost estimation practices, invoicing detail, project reporting, process efficiency, treatment of modifications to existing facilities, criteria for expedited assessments, and broader transparency initiatives. While these are important considerations, they are generally outside the scope of the current pending changes, which are focused specifically on the deposit framework rather than the underlying connection assessment process itself.

Transparency of Scope, Cost Estimates and Cost Reporting

Stakeholders requested additional visibility into connection assessment study scope, cost estimates, billing assumptions, schedules, and ongoing expenditure reporting.

The IESO acknowledges the value of these suggestions and agrees that transparency and predictability are important objectives for proponents. However, the proposed Market Manual changes do not introduce or modify requirements related to project-specific study scoping, cost estimation, or ongoing reporting practices. As such, these requests are outside the scope of the current deposit-focused amendments.

That said, the IESO is actively pursuing improvements to the connection process, and stakeholder feedback related to study cost transparency, project reporting, and process accountability will be considered as part of these broader modernization efforts.

Efficient Use of Deposited Funds and Invoicing Practices

Stakeholders requested further information regarding controls over expenditure of deposited funds, invoicing frequency and detail, refund timelines, cost benchmarking, and the treatment of interest.

The proposed changes do not alter the methodology used to determine recoverable connection costs. Connection costs will continue to be recovered in accordance with the existing cost recovery framework and existing governance processes. The deposit itself serves as a mechanism for securing recovery of those costs and reducing the IESO’s costs throughout the assessment process. The proposed amendments do not establish new invoicing, reporting, or benchmarking requirements.

The IESO recognizes the interest in these broader topics and notes that improving stakeholder transparency and the overall customer experience are important objectives being considered through ongoing improvements to the connection process.

Applicability to Existing Facilities, Expedited SIAs and Cost Recovery Agreements

Stakeholders sought clarification regarding the application of the revised deposit framework to existing facilities undertaking modifications, expansions, uprates, repowering activities, or enhancements, as well as projects subject to Expedited System Impact Assessments (ESIAs) and existing Cost Recovery Agreements (CRAs).

The proposed amendments do not introduce changes to eligibility criteria for connection assessment pathways, including ESIAs, nor do they modify the framework governing existing Cost Recovery Agreements. The amendments will only revise deposit amounts applicable where deposits are otherwise required under the existing connection framework.

The broader treatment of project modifications, assessment pathways, and the circumstances under which new assessments or assessment addenda may be required relate to the overall connection process are unchanged in this proposal and therefore outside the scope of the current deposit engagement.

Deposit Amount Methodology

Stakeholders requested additional detail regarding the basis for the proposed deposit tiers and amounts.

The proposed deposit amounts were developed based on the IESO's experience with connection assessment costs and are intended to better align deposits with the level of effort required for projects within each category. The objective is to enable applicant to better forecast actual costs and reduce situations where deposits are exhausted before assessments are completed.

The IESO appreciates stakeholder interest in greater visibility into connection process costs and cost drivers. While publication of detailed cost breakdowns by project stage is outside the scope of the current Market Manual amendments, this feedback is aligned with future enhancements the IESO envisions and will inform future discussions regarding transparency improvements.

Omission of 750 MW Facilities

The IESO appreciates the identification of the drafting issue related to facilities that are exactly 750 MW in size. The IESO will issue a revision to the relevant Market Manual provisions to clarify that this threshold applies to projects ≥750 MW in size, and to add additional precision for other threshold ranges.

Revised drafts of the affected Market Manuals will be posted to Pending Changes next week and are scheduled for publication on September 9, in accordance with the Baseline 56.0 Schedule.