

Stakeholder Feedback and IESO Response

Long Lead-Time Request for Proposals (LLT RFP) – June 5, 2026

Following the [April 23 2026, Long Lead-Time RFP Engagement Webinar](#), the Independent Electricity System Operator (IESO) invited stakeholders to provide feedback on the following design items: Procurement Milestones, the Supply Chain Disclosure Plan, and other procurement design considerations. Non-confidential feedback is posted on the [Long Lead-Time RFP Engagement Webpage](#). Feedback identified as confidential by stakeholders is not posted but reflected as part of the common feedback themes. Please reference the feedback forms for specific feedback as the information below is provided in summary.

Note on Feedback Summary and IESO Response

The IESO appreciates the feedback received from stakeholders and communities. The tables set out below respond to the feedback received and are organized by topic. Capitalized terms used in the IESO responses below not otherwise defined herein, have the meaning given to such terms in the draft LLT(e) RFP, LLT(e) Contract, LLT(c) RFP or LLT(c) Contract (each, as applicable) posted to the [Long Lead-Time RFP Webpage](#).

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A) Procurement Milestones

| Feedback / Common Themes | IESO Response |
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| <p data-bbox="203 233 797 348">The IESO should widen the period between the Registration Start Date and the Deadline for Registration</p> <ul data-bbox="256 373 841 489" style="list-style-type: none"><li data-bbox="256 373 841 489">• A Proponent suggested extending the registration to one month commencing in early September. | <p data-bbox="846 264 1487 590">Per the Schedule, the registration period will open on September 23, 2026 and close on October 6, 2026; Proponents can begin preparing their Registration Form once any final addenda have been issued but will not be able to submit this to the IESO until the registration period opens on Sept 23, 2026.</p> <p data-bbox="846 625 1487 1188">All registration submissions will be processed after the registration deadline with unique project IDs issued as soon as possible to all Proponents at the same time. Further, the registration period has been placed later in the schedule to allow for Proponents to complete corporate and partnership structuring, which must be complete prior to registration; therefore, the IESO does not see any incremental benefit to having the registration period commence earlier.</p> |

| Feedback / Common Themes | IESO Response |
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| <p>Proposed timelines do not allow sufficient time for meaningful engagement with Municipalities, Indigenous Communities, landowners, and stakeholders.</p> | <p>The IESO acknowledges the importance of meaningful engagement with Local Municipalities and Indigenous communities and has encouraged Proponents to initiate discussions in advance of procurement launch. To further support Proponents with obtaining Municipal Support Confirmations, the IESO released usable versions of the Prescribed Form: Evidence of Municipal Support in February 2026, to provide Proponents sufficient time to engage with Local Municipalities prior to seeking a support confirmation. A draft of the Prescribed Form: Evidence of Indigenous Support was also shared in January 2026 to help facilitate engagement.</p> <p>Additionally, the IESO originally contemplated a Proposal Submission Deadline in early October 2026. After considering stakeholder feedback, this was extended to November 26, 2026, providing additional time for Proponents to engage with Local Municipalities, Indigenous communities, landowners, and other stakeholders, as applicable.</p> |

B) Supply Chain Disclosure Plan

| Feedback / Common Themes | IESO Response |
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| <p>The IESO should revise the reporting requirements related to the Supply</p> | <p>The IESO has designed the Supply Chain Disclosure Plan (SCDP) and the Committed</p> |

| Feedback / Common Themes | IESO Response |
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| <p>Chain Disclosure Plan (SCDP) and Committed Canadian Content Percentage (CCCP) to allow for a more flexible and accurate representation of Canadian content:</p> <ul style="list-style-type: none"> The current binary approach to classifying goods and services as either 100% Canadian or non-Canadian does not reflect the reality of project supply chains. Instead, Proponents should be permitted to report the proportion of Canadian content for each good and service on a percentage basis. | <p>Canadian Content Percentage (CCCP) requirements in alignment with the requirements and intent of the April 16th Ministerial Directive. As such, the IESO is unable to make further changes.</p> <p>Flexibility has been incorporated to the extent possible. For instance:</p> <ul style="list-style-type: none"> The SCDP is for informational, planning and policy development purposes only, based on information available to the Proponent as of the Proposal Submission Deadline, and does not form the basis of any binding requirements under the LLT Contracts. For the CCCP, Suppliers will not be bound to the line-item breakdown provided in their CCCP Summary (submitted as part of the Proposal) and may meet their Canadian Content Requirement using other Canadian Construction Materials and Canadian Construction Labour Suppliers. <p>It should be noted that different definitions and requirements apply for the SCDP and the CCCP, which are further clarified below:</p> <p>Under the SCDP, Proponents are required to identify:</p> <ul style="list-style-type: none"> Goods included in their Total Project Supply Chain Costs that are expected to be manufactured within Canada, including from components sourced from outside Canada Services included in their Total Supply Chain Costs that are |

expected to be Canadian Status Services **or** supplied by Canadian Status Supply Chain Participants

In order for Construction Materials and Construction Labour to contribute towards the CCCP, more stringent requirements apply:

- Canadian Construction Materials means those Construction Materials that:
 - in respect of steel, are comprised of steel that: is (i) Melted and Poured in Canada; **and** (ii) has undergone its fabrication within Canada by taking such basic steel forms and turning them into specific components; and
 - in respect of aluminum, are comprised of aluminum that: (i) was Smelted and Cast in Canada; **and** (ii) has undergone its fabrication within Canada by taking such basic aluminum forms and turning them into specific components.
- A Canadian Construction Labour Supplier is a Person that: (i) is a Canadian Status Supply-Chain Participant; **and** (ii) provides Construction Labour using only employees and/or contractors that are Ordinarily Resident in Canada.

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| | <p>For the applicable goods and services listed under the SCDP and CCCP, each individual component, or grouping of components, must be listed as an individual line item and will either meet the applicable definition or not.</p> <p>For example, in the case of the CCCP, if 50% of steel beams used for the project meet the definition of Canadian Construction Materials, the cost of these beams can count towards the CCCP, however where a steel beam has undergone its fabrication within Canada by taking such basic steel forms and turning them into specific components only and was not Melted and Poured in Canada, or was Melted and Poured in Canada but has not undergone its fabrication within Canada by taking such basic steel forms and turning them into specific components, this would not meet the definition of Canadian Construction Materials.</p> |
| <p>The current all-or-nothing approach—particularly for Canadian Construction Labour Supplier—is overly restrictive and may disqualify projects with predominantly Canadian labour due to minor, inadvertent non-compliance.</p> <ul style="list-style-type: none"> • A threshold-based approach (e.g., minimum Canadian-resident labour percentage) should be considered, and the definitions of Canadian | <p>As set out in the Directive, the RFP provides appropriate incentives for Proponents that commit to sourcing a minimum percentage of their Construction Materials and Construction Labour from Canadian Materials and Canadian Construction Labour Suppliers.</p> <p>Within this framework, the Directive establishes specific definitions for key inputs, including Construction Labour and Canadian Construction Labour Suppliers. For example, Construction Labour is</p> |

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| <p>Construction Labour Supplier and Canadian Status Supply-Chain Participant broadened to allow greater flexibility.</p> | <p>defined as on-site labour only, and a Canadian Construction Labour Supplier must both: a) be a Canadian Status Supply-Chain Participant, and b) provide Construction Labour using only employees and/or contractors that are Ordinarily Resident in Canada.</p> <p>Reflecting this framework, for the purposes of the CCCP Summary, labour that meets the definition of Construction Labour should be listed, along with whether the expected cost of such labour is anticipated to be paid to a Canadian Construction Labour Supplier.</p> <p>For greater clarity, because the definition of Canadian Construction Labour Supplier includes the requirements that Construction Labour must be provided using only employees and/or contractors that are Ordinarily Resident in Canada, the use of any employees that are not Ordinarily Resident in Canada for on-site construction labour would result in the supplier not meeting the definition of “Canadian Construction Labour Supplier” and the labour from such supplier not being eligible to count towards the CCCP.</p> |

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| <p>The IESO should revise the CCCP thresholds to better reflect achievable outcomes. Requiring a 100% threshold is likely unrealistic; instead, the upper bound should be reduced (e.g., to 95%) with adjusted step intervals across the range.</p> | <p>The thresholds related to the CCCP Evaluated Proposal Price reduction have been established in alignment with the April 16th Ministerial Directive which prescribed the applicable framework and requirements. The IESO is required to implement these as set out in the Directive.</p> |
| <p>Can the IESO clarify whether the list of goods and services in the SCDP can be at high level of major components:</p> <ul style="list-style-type: none"> • What level of detail is the IESO looking for? | <p>Proponents may provide the list of goods and services in the SCDP at a high level, focusing on major project components; highly granular or itemized detail is not required.</p> <p>As the SCDP is intended for informational purposes only and is non-binding, the IESO expects a level of detail sufficient to reasonably characterize the primary categories of goods and services and support a clear understanding of the overall supply chain plan.</p> |
| <p>The IESO should disclose the expected ratepayer impact of each evaluation incentive, including any scenario where a higher-priced project is selected over a lower-cost alternative:</p> <ul style="list-style-type: none"> • The IESO should also confirm that no supply-chain incentive will be used to justify advancing a project that has unacceptable river, climate, cumulative effects, or ratepayer-risk implications. | <p>The IESO’s evaluation framework, including any incentives, is designed to support cost-effective procurement outcomes while achieving government policy goals consistent with the April 16th Ministerial Directive. Tools such as the Reserve Price and the competitive procurement process help ensure overall value to ratepayers.</p> <p>Evaluation incentives do not override the requirement for LLT Energy Projects or LLT Capacity Projects to complete applicable</p> |

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| | environmental assessments, permitting, and follow other regulatory processes. |

C) General Feedback

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| <p>The IESO should reduce the minimum Proposal Security requirement to \$20,000 to reflect the minimum Project size that may be submitted; 1MW:</p> <ul style="list-style-type: none"> The current minimum Proposal Security requirement of \$300,000 penalizes smaller projects | <p>The IESO previously reduced the minimum Proposal Security requirement from \$500,000 to \$300,000 in response to stakeholder feedback.</p> <p>The minimum requirement remains necessary to ensure that Proposals are credible and sufficiently developed, and to provide confidence that Proponents are demonstrating a strong level of financial commitment to develop proposed LLT Energy Projects or LLT Capacity Projects.</p> |

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| <p>For projects that have already initiated development work over an extended period, the IESO should consider providing certain exemptions to account for their unique circumstances. These could include:</p> <ul style="list-style-type: none"> • Allowing smaller projects than 1 MW of Nameplate Capacity to participate. • Providing flexibility or waivers related to Team Member Experience requirements. • Adjusting or waiving Performance Security requirements in recognition of significant sunk development costs. • Reducing or waiving application or Proposal Fees where projects have previously been submitted or have incurred substantial prior investment. | <p>The IESO has established consistent RFP eligibility and participation requirements to support a fair, transparent, and competitive procurement process. Providing exemptions or project-specific accommodations such as adjustments to minimum size thresholds, experience requirements, or security and fee structures would introduce inequities among Proponents and could undermine the integrity of the competitive procurement framework</p> <p>Accordingly, the IESO does not intend to make special provisions for specific projects or development histories, and considers the existing eligibility and participation requirements appropriate for ensuring a level playing field and maintaining a competitive and effective procurement process.</p> |

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| <p>The IESO should provide greater flexibility in the pre-Deliverability Testing process across testing windows.</p> <ul style="list-style-type: none"> Specifically, Proponents should be permitted to update or substitute submitted testing forms in subsequent windows where earlier results indicate a result of not deliverable. | <p>To maintain consistency and fairness, submitted pre-deliverability forms cannot be updated once they have been processed.</p> <p>If a submission receives a “Not Deliverable” result in pre-Deliverability Testing and a Proponent wishes to explore alternate project configurations (e.g., different sizes or connection points), a new intake form must be submitted. This would be treated as a separate additional pre-Deliverability Test submission.</p> <p>As a reminder, the IESO has committed to process three (3) pre-deliverability intake forms per Proponent, per stream. Prospective Proponents can submit additional intake forms which may be processed by the IESO depending on the total number of submissions received from all prospective Proponents during an intake period.</p> |

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| <p>The IESO should remove the Withdrawal Capacity Check test:</p> <ul style="list-style-type: none"> Suppliers have not had sufficient time to review the test in detail and identify all the issues with the test prior to procurement launch. | <p>The IESO does not intend to remove the Withdrawal Capacity Check Test, as it is an important component of ensuring that contracted Facilities can reliably meet their obligations under the LLT(c) Contract.</p> <p>In response to stakeholder feedback, the IESO has made the following updates to the LLT(c) Contract:</p> <ul style="list-style-type: none"> The Capacity Reduction Factor will be determined based on the lower of the Delivery Capacity Reduction Factor (DCRF) and the Withdrawal Capacity Reduction Factor (WCRF), rather than applying both. Where a Withdrawal Capacity Check Test is conducted during Qualifying Hours, Suppliers will be relieved of Must Offer Obligations for those periods. The IESO will account for the number of Qualifying Hours in the Settlement Month for which the Facility is the subject of a Withdrawal Capacity Check Test and these hours will be included as part of the calculation of the Outage Hour Capacity Reduction Factor (OHCRF) in Exhibit J, thereby excluding them from the availability calculation in Exhibit E of the LLT(c) Contract. |

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| <p>The IESO should clarify if it intends to provide a different Reserve Price for different duration Capabilities:</p> <ul style="list-style-type: none"> • How will these be differentiated? | <p>The IESO intends to establish a single Reserve Price for each stream of the LLT RFP, which for LLT(c) RFP will be reflective of Duration Capability of up to 12 hours.</p> <p>As a reminder, the Reserve Price is intended to serve as a price ceiling that reflects the IESO’s willingness to pay for LLT Energy Projects and LLT Capacity Projects, rather than a target price or an estimate of the underlying cost of specific technologies or projects.</p> |

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| <p>If new hydroelectric resources are unable to compete with wind, solar, and storage on cost, development timeline, risk, and environmental performance, this is not, in itself, a sufficient justification to place them in a separate procurement process.</p> <ul style="list-style-type: none"> • The IESO has not demonstrated that new hydroelectric resources are necessary, least cost, or superior to alternatives before moving into procurement design. • Hydroelectric Proponents have requested broader inflationary index protection tied not only to CPI but to factors such as Government of Canada long-term bond rates, steel products manufacturing, copper and foreign exchange rates. These requests would increase Proponent protection and transfer more economic risk to ratepayers. | <p>The IESO’s approach to the LLT RFP reflects the Ministerial Directive dated April 16, 2026, which directs the procurement of resources with longer development timelines. A distinct procurement enables these resources—given their extended lead times—to be developed in time to meet future system needs.</p> <p>Inflation indices used will continue to be the Consumer Price Index (CPI) consistent with the LT2 Contracts.</p> <p>With respect to cost-effectiveness, the IESO has incorporated a Reserve Price to help ensure that LLT Capacity Projects and LLT Energy Projects are cost effective. The pricing outcomes of the first window of the LT2 RFP will serve as a baseline for establishing the Reserve Price while also recognizing other considerations, such as longer development periods, inflation, CTITC risks and other value attributes (e.g., Regulation Services Readiness Requirements, operational life, diversity value) associated with eligible long lead time resources.</p> |

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| <p>Why should Ontarians accept additional river impacts—including fragmentation, inundation, altered flows, algae, and reservoir emissions—and bear foreseeable climate-related hydrologic risks when lower-impact alternatives are available?</p> | <p>The IESO’s approach to the LLT RFP is guided by the Ministerial Directive dated April 16, 2026, which directs the procurement of specified resource types, including new hydroelectric resources.</p> <p>All Proposals must undergo applicable environmental assessments, permitting processes, and regulatory approvals, which are designed to identify, assess, and mitigate potential impacts, including those related to river ecosystems, emissions, and long-term hydrologic considerations. These processes ensure that LLT Capacity Projects and LLT Energy Projects meet established environmental standards before proceeding.</p> <p>In addition, the procurement framework—including the use of competitive processes and mechanisms such as the Reserve Price—supports the selection of resources that provide overall system value, taking into account cost-effectiveness, reliability, and performance in meeting future electricity system needs.</p> |