

Feedback Form

Long-Lead Time RFP – September 16, 2025

Feedback Provided by:

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Date: September 30 2025

To promote transparency, feedback submitted will be posted on the Long-Lead Time RFP engagement page unless otherwise requested by the sender.

- ☐ **There is confidential information, do not post**
☒ **Comfortable to publish to the IESO web page**

Following the September 16th Long-Lead Time RFP engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the items discussed. The presentation and recording can be accessed from the [LLT engagement webpage](#).

Note: The IESO will accept additional materials where it may be required to support your rationale provided below. When sending additional materials please indicate if they are confidential.

Please submit feedback to engagement@ieso.ca by September 30th.

Foundational Design Elements

Do you have any feedback on the foundational design elements presented during the webinar?

- The OWA is generally supportive of the proposed procurement development and implementation timelines. This lead-time should be used to ensure regulatory agencies are fully aligned and will be used by proponents to begin community, Indigenous and stakeholder engagement.
- The OWA supports the initial 1TWh target for hydroelectricity through the first energy stream procurement and a predictable, cadenced approach to subsequent procurements thereafter. We encourage the IESO to share the anticipated timing for subsequent LLT procurements in order that proponents can best plan investments.
- We agree that the procurement should be designed for projects which require a lead time of five or more years and are confident that some hydroelectric projects will achieve commercial operation in advance of the eight (8) year maximum.
- The OWA supports a minimum forty (40) year contract term for hydroelectric projects. The OWA encourages the IESO to review and consider the adaptations made to the E-PPA contract design through the Northern Hydro Program Engagements as a basis for the LLT energy stream.

Resource Eligibility – Energy and Capacity Streams

Do you have any feedback or general comments to share with the IESO regarding defined eligibility for each stream of the LLT RFP?

- The OWA supports the bifurcation of energy and capacity streams, with a distinct procurement for hydroelectric resources through the energy stream.

Resource Eligibility – Hydro Redevelopments

Do you have any feedback or general comments to share with the IESO ahead of the upcoming repowering webinar regarding the participation of hydro redevelopments?

To help inform eligibility under the LLT RFP, the IESO is looking for project specific details from hydro resources that are looking to redevelop, including:

- existing nameplate and/or contract capacity, location, market participant status, original in-service date, remaining useful life and projected end of life;
- expected time required to redevelop the resource, a list of key milestones/activities, and projected operational lifetime post redevelopment; and
- information regarding whether the redevelopment will result in an increased capacity at the facility beyond what is currently registered with the IESO.

If required, please provide project specific information via a separate document.

- The OWA is strongly supportive of the inclusion of hydroelectric redevelopments and incremental energy from upgrades and expansions in the LLT and recommends the adoption

of definitions within Regulation for the determination of eligibility. Pursuant to Ontario Regulation 124/02:

“new station” means a station that first generates electricity after December 31, 2000;

“redeveloped station” means a station at which improvements come into service after December 31, 2000 that include a substantially replaced power house and associated physical infrastructure for the conveyance and utilization of water;

“upgraded station” means a station at which improvements come into service after December 31, 2000 that increase the station’s generation of electricity by at least two per cent on an annual basis.

- The OWA also notes that the Minister’s letter of May 8, 2024 to the IESO regarding the Northern Hydro Program assets stipulates that “the IESO is allowing existing hydroelectric facilities who want to expand or upgrade to participate in the LT2 RFP”. We recommend that such provision be extended to LLT, with the Minister’s caveat that “for facilities that chose not to participate or are unsuccessful, the IESO consider a similar approach to expansions and upgrades as used in the SHP.”

Policy Based Rated Criteria: Prime Agricultural Areas (PAAs)

Do you have any information to share with the IESO to inform decisions related to rated criteria for projects locating in PAAs?

Specifically, the IESO is seeking further information, including but not limited to:

- whether proponents are intending to locate their project in a PAA;
- approximate project footprint (in acres), including distinction of surface level and subsurface components;
- land/soil impacts during construction and operation; and
- portion of the land that will remain available for agricultural use post COD.

No comment

Team Member Experience Requirements - Capacity

Do you have any feedback regarding the information presented during the webinar?

- While we appreciate the IESO proposed expansion of Designated Team Members to include projects in jurisdictions outside North America, there is concern regarding the breadth of experience for some project types. We suggest that the requirements might be adjusted to “the Proponent must have at least two (2) Designated Team Members who have experience in three or more of the Planning, Developing, Financing, Constructing and Operating of at least one (1) Qualifying Project.

Round Trip Efficiency (RTE) – Capacity

Do you have feedback to help inform the minimum RTE requirement and development of the associated rated criteria.

No comment

Contract Provisions: Long Term Outages

Do you have any feedback regarding the IESO's proposal related to long-term outages?

- The IESO has indicated that it anticipates offering the same Planned Outage provisions under the LLT Contracts and separate coverage for Grid Based Unavailability and Force Majeure and that, for energy contracts, proponents should incorporate planned outages into their Imputed Production Factors to avoid non-performance charges. The OWA notes, however, that the E-PPA contract structure could in situations whereby a supplier is significantly financially penalized for issues over which the supplier has little to no control (e.g. water availability). It is our understanding that in situations where:
 1. Energy production is significantly below a monthly production factor for an extended period (e.g. prolonged low water conditions); and
 2. Market energy prices are above LLT contract prices resulting in deemed revenues being high;
 3. The monthly IESO payment could be negative (i.e. supplier pays the IESO in addition to the penalty for non-performance).
- Unless addressed through LLT Program Rules or Contract structure, this would be an untenable risk for a supplier to assume, particularly given the recognized and expected increase in frequency and intensity of hydrologic events due to climate change.
- The IESO is also considering offering successful long lead time projects the opportunity to take one long term outage during the contract term, but only be permitted during the second half of the term. Other than "consistency" with LT2, there appears to be little rationale for limiting the timing of outage, particularly given the Notice provisions. The OWA recommends that there be no such restriction.
- The IESO is also proposing a maximum long-term outage duration of six months; during this time contract payments will not be paid to the Supplier and nonperformance charges would not apply. The OWA recommends that the maximum duration be twelve months over up to two (2) outages to ensure any significant work required is planned and executed properly.

Contract Provisions: Environmental Attributes

Do you have any feedback regarding the information shared during the webinar?

- It is unclear why, when for other design elements the IESO has chosen to emulate LT2, this is not the case for environmental attributes (i.e. all environmental attributes and any revenue earned in relation to their sale are to the benefit of the supplier for the duration of the contract). The OWA looks forward to additional details in a future engagement.

General Comments/Feedback

- We continue to support the recommendation that The IESO should consider a price incentive for projects led by or in partnership with Indigenous Communities, in addition to rated criteria points. The IESO should similarly consider rated criteria points for community (e.g. municipal) projects. There should also be a mechanism built into the procurement that “levels the playing field” with respect to the comparison of proposals from suppliers with differing access to federal Investment Tax Credits.
- For energy producing resources, the IESO should apply a four (4) year rolling average for non-performance charges, consistent with the E-PPA design for the NHP.
- The OWA supports the provision of 100% indexing to CPI from the contract date to COD/MCOD (similar to the LT2 RFP) and then provide 60% indexing from COD until the contract end date. The OWA would also be interested in exploring more industry-specific inflationary indices (e.g. Handy-Whitmann).
- Finally, as the government has already recognized (ERO Posting 025-0449 - Advancing New Hydroelectric Generation in Ontario – Creation of a Variance Account), hydroelectric assets are complex, long-lived projects and significant pre-development work is required to take these projects from origination of the concept to the initiation of design and the final commissioning of assets.
- We are of the strong view that there should be a similar mechanism included within the IESO’s procurements (e.g. LLT) for new, refurbished, redeveloped or upgraded hydroelectric projects that helps to de-risk predevelopment costs. Several mechanisms have been utilized in the past in this context (Loan Guarantees, Price Adders, Taxation Resource Revenue Sharing, Infrastructure Funds) and should be evaluated and assessed in order to design a “fit for purpose” approach. It will be imperative that the process(es) designed to recover pre-development costs not only include those costs associated with regulatory processes, but the provision of capacity for Indigenous (and other) communities to effectively participate as project proponents or partners.