Feedback Form

Long Lead-Time RFP – October 21, 2025

Feedback Provided by:

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Date: November 4, 2025

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

- ☐ **Yes – there is confidential information, do not post**
- ☑ **No – comfortable to publish to the IESO web page**

Following the October 21st Long Lead-Time 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 RFP Stakeholder Engagement Webpage.

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

Please submit feedback to engagement@ieso.ca **by November 4, 2025.**

Section 1: LLT Capacity RFP and Contract

Resource Eligibility - Eligible LDES Technologies

Do you have any feedback on the proposed definitions of Eligible LDES Technologies?

Hydrostor agrees with the proposed definition of Compressed Air Energy Storage as described in the draft LLT RFP and Contract documents.

More broadly, Hydrostor strongly suggests the RFP documentation clarifies that all resources participating in the LLT Capacity RFP must be non-emitting during their operations.

Resource Eligibility - Class II Technologies

Do you have any feedback regarding eligible Class II Technologies?

Note - If you are providing suggestions for additional technologies that the IESO should consider, please provide further information, including but not limited to: details related to level of technology readiness, expected project development timelines, permitting pathway, and project lifetime.

Do you have any feedback related to the proposal to procure a maximum of 100 MW from Class II technologies?

Minimum Project Size

Do you have any feedback related to the proposed minimum project size requirement of 50 MW?

Minimum Duration and Rated Criteria

Do you have any feedback regarding the potential use of rated criteria to incentivize longer durations of up to 12 hours?

Please see response below.

Do you have any feedback/information to share related to cost impacts associated with increasing duration from 8 to 12 hours to help inform weighting of the rated criterion, should it apply?

Hydrostor continues to suggest the IESO increase the minimum duration requirement for LDES technologies participating in the LLT Capacity Stream to at least 10 hours to provide further reliability to the system, given that this is a longer lead time procurement and resources will be contracted for a 40-year period. As noted by IESO analysis, needs in Ontario are currently in the 8-12 hour range, and given lead times involved with LLT LDES development, it may be reasonably expected to have best outcomes by enabling a higher duration threshold nearer-term rather than trying to adjust in the future at increased cost profiles. Many jurisdictions globally including California and New South Wales have increased their duration requirement to similar (and higher) levels for projects coming into operation in the 2030s, particularly where such resources are long lead time, to ensure the system has the necessary flexibility for the future. Other jurisdictions are following suit in ongoing policy development and consultations for next decade grid needs.

Since each additional hour of storage duration provides marginal cost savings on a delivered scale plant, the IESO can take advantage of LLT LDES resources in the 10-12 hour range at lower cost today than is probable in the future.

For clarity, we believe a minimum threshold of 10 hours sends the clearest signals for developers and project planning and will result in the most cost-effective bids (with again limited downside because of the long lead nature of the procurement). We note that if the IESO remains uncomfortable with such a threshold, it may want to consider requesting multiple price-duration bids from proponents as part of the LLT RFP submission. For example, the IESO could request proponents submit an 8-hour bid and optionally submit alternate duration bids (e.g., an alternate bid for 10 hours, and an alternate bid for 12 hours). The IESO will then be provided the choice of what duration to pick, based on the proponent prices and considering its long-term duration needs. We suggest this approach over a rated criteria points-based approach, and it would actually increase the number of bid options the IESO can pick from for the LLT Capacity stream. However we reiterate that a higher minimum threshold would be preferred and mirrors the experience in other jurisdictions who are advanced in their procurement of LDES.

Team Member Experience

Do you have any feedback regarding the IESO's proposed changes to the Team Member Experience requirements?

Hydrostor supports the IESO's proposed Team Member Experience criteria as defined in the draft LLT RFP document, and the expansion to jurisdictions outside of North America with similar development regimes such as Europe and Australia. The technologies that are participating in the Long-Lead Time RFP are highly complex to develop, and it is critical for proponents to have the experience proven in delivery.

Must-Offer Obligations

Do you have any feedback regarding the IESO's proposals to: (a) expand Qualifying Hours to include additional hours on weekends and holidays and (b) introduce Real-Time Must-Offer Requirements

The IESO is also looking to understand how these changes may impact your proposed project (e.g., cost, operations)?

(a) Expansion of Qualifying Hours to include weekends and holidays: We support in principle the inclusion of additional days as part of this procurement, enabling LLT LDES resources to serve as a daily capacity backstop for the IESO grid in the long-term.

Practically, the main constraint with expanded daily requirements is that it creates further limitations on when LLT LDES resources may be able to charge their systems. We therefore continue to recommend the IESO incorporates contractual coverage mechanisms in the event LLT LDES resources are energy-constrained due to being dispatched during qualifying hours, without risking non-performance charges.

(b) Real-Time Must Offer Requirements: We request the IESO provide further information on what requirements it is considering as part of any potential Real-Time Must-Offer obligations. Similar to our response above, we (i) continue to recommend the IESO incorporates contractual coverage mechanisms in the event LLT LDES resources are energy-constrained due to being dispatched during

qualifying hours, without risking non-performance charges; and (ii) provide an allowance for proponents to charge during Qualifying Hours in the Real-Time market should this be required.

Contract Capacity

Do you have any feedback regarding the removal of the option to reduce contract capacity?

Hydrostor does not oppose the IESO's proposal to remove the option to reduce contract capacity from the LLT Capacity Contract.

Do you expect your contract capacity to differ on a monthly or seasonal basis?

While we do not expect our Contract Capacity to differ on a seasonal basis, we support maintaining the seasonal structure for Contract Capacity as included in the LT2 Capacity Contract and the draft LLT Capacity Contract.

Draft Documents

Do you have any feedback to share in relation to the draft RFP and Contract that have been posted to the IESO website?

Given the short timeframe from since the documents have been posted, we have not had to the opportunity to conduct a thorough review of the draft LLT RFP and Contract at this time. We look forward to providing the IESO with feedback on the draft LLT RFP and Contract at a later date.

Section 2: Additional Design Considerations (applicable to both Energy and Capacity streams)

Mid-Term Extended Outages

Do you have any comments on the IESO's proposal related to Mid Term Extended Outages?

Please provide information to support your feedback or any suggested revisions to the proposed approach including, but not limited to, nature, timeline and frequency of expected Mid-Term Extended Outages.

Regulation Service Readiness

Do you have any feedback regarding the proposed Regulation Service Readiness Requirements?

Please provide information potential cost and/or development timeline impacts that would apply to have the facility be "regulation ready" and any other information the IESO should consider when exploring this mandatory requirement/rated criterion.

Regarding the two criteria the IESO noted in its webinar to be considered "regulation ready" – having a minimum ramp rate of 5 MW/minute, and being capable of receiving and following regulation signals every 4 seconds or less:

- **Development timelines impact:** We do not anticipate that incorporating these capabilities into our system would have an impact on development timelines.

- **Added cost impacts:** Based on initial review we expect the up-front costs of incorporating these capabilities to be non-significant. The actual provision of any regulation services may have cost implications and may lead to equipment wear and tear, but as noted in the IESO webinar if the provision of these services are required they would be paid for through a separate mechanism.

Optional Termination

Do you have any feedback regarding the IESO's proposed Optional Termination provision and/or the proposed concept of a NTP Milestone Date?

Do you have any feedback/information to share regarding how other jurisdictions manage the uncertainty related to developing long lead time resources?

Environmental Attributes

Do you have any feedback regarding the IESO's proposal related to sharing the benefits from Environmental Attributes during the second half of the term?

Do you have any feedback on alternate approaches to managing the uncertainty associated with the value of Environmental Attributes?

Section 3: General Comments/Feedback

Do you have any additional feedback to share with the IESO?