Feedback Form

Long Lead-Time RFP – February 26, 2026

Feedback Provided by:

Name: Patrick Gillette
Title: President
Organization: PICO Hydro Power Inc. and its subsidiary CRD Energy Consulting
Email: [redacted]
Date: March 12, 2026

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

	NO - There is confidential information, do not post
X	**YES - Comfortable to publish to the IESO web page**

Following the February 26th 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 Long Lead-Time RFP 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 March 12, 2026.**

Access Rights - Federal Crown Lands

Please inform the IESO if you intend to site your projects on federal crown lands that are not currently managed by Parks Canada. If so, please inform the IESO as to the feasibility of obtaining access rights for those properties, and the appropriate document that can be used to demonstrate access rights for the purpose of the Proposal.

No comment.

Regulation Services Readiness Requirements

Do you have any feedback on the requirements outlined under the RFP and/or Contract?

No comment.

Timelines

Do you have any feedback on the procurement timelines and milestones?

PICO Hydro Power Inc. and its subsidiary, CRD Energy Consulting's Feedback:

1. The IESO posted the draft LLT-Energy RFP and Contract at the end of February 2026, with bids proposed to be due by October 1, 2026 (seven (7) months). This timeline was markedly shorter than the most recent IESO's LT2 procurement for wind and solar resources, with a draft RFP and Contract posted in July 2024, and bids due in October/December 2025 (twelve (12) to fourteen (14 months).

2. Solar, wind and BESS have had three procurement rounds since 2022 (Expedited, LT1 and LT2), which have built up a pipeline of projects and industry experience with the IESO process. Conversely, no hydroelectric procurements have occurred in the last decade. LLT-Energy for hydroelectric should be provided a minimum of 12 months, same as the other technologies, and an additional time allotment for the first waterpower procurement round in a decade, with no pipeline of projects.

3. Municipal elections in August 2026 compromise the ability of proponents to bring forward projects to compete in the LLT-Energy procurement within the current timeline.

4. Currently, there is approximately 8 MW of legacy hydroelectric (Waterpower Legacy Applicant of Record | Ontario GeoHub) available for the LLT-Energy. Please see Chart 1.

Chart 1: Legacy Hydroelectric

MNR_FILE_NUMBER	PROPONENT_BUSINESS_NAME	LOCATION_DESCR	Capacity MW
DSR-07-05	2089284 Ontario Inc. (McGraw Falls Water Power)	MCGRAW FALLS DAM	1.5 - 2.6

DSR-09-06	2118966 Ontario- Xeneca Limited Partnership	LARDER LAKE DAM	1.2
WSR-2007-002	1713399 Ontario Limited- Xeneca Limited Partnership	MCCARTHY CHUTE	2.7
DSR-01-05	Lizard Creek Power Inc.	LIZARD CREEK	1
DSR-2005-004	Gravel Power Corp.	LITTLE RAPIDS DAM	<1
		Total	7.4 - 8.5
		% of LLT Energy Intake	3%

Federal and other sources may bring the total to ~25 MW or ~10% of IESO's target of 1 TWh from LLT-Energy.

Regardless, the bulk of the remaining Greenfield hydroelectric sites are located on provincial lands, as the IESO is aware, based on the **IESO Assessment of OPG's Northern Ontario Hydroelectric Facilities, April 1, 2022.** IESO's proposed submission deadline of October 2026, with only ~24 MW in the pipeline, is worrisome, when the MNR is not accepting applications for Greenfield waterpower sites.

5. Provincial Crown land access (MNR) is currently closed but will hopefully open in April. MNR will then take 25 business days to assess applications, which means the earliest developers and their Indigenous partners will know what sites are available is in May. Detailed site assessment, Indigenous consultation and negotiating Indigenous Partnerships will then take a minimum of 12 months, which should move the LLT-Energy submission date to Q2-2027.

6. Challenging timelines and uncertainty will cause developers and investors to bypass LLT-Energy in favour of the LT2-e/c2 in 2027.

Recommendation:

To help alleviate this timeline challenge and to encourage informed bids into this competitive Procurement, we strongly recommend that the IESO align the Long Lead Time (LLT-Energy) with LT2-e2/c2 procurement in 2027 allowing 12+ months for LLT-Energy Indigenous partnerships.

Potential benefit is that if allowed, hydroelectric can be combined, helping solar and/or wind to meet domestic content rules and share connection costs.

Draft RFP and Contract

Do you have additional feedback to share on the draft LLT RFP and Contract?

Note: Stakeholders are welcome to attach a separate document that contains comments on the draft documents. Please indicate if separate documents are confidential.

General Comments/Feedback

Do you have additional feedback to share with the IESO?

1. Operate the LLT-Energy and the next LT2-e2/c2 in parallel with the same submission date in 2027 (see timeline comments above) and allow partnerships to meet the domestic content requirements (e.g., a mix of hydroelectric and wind to meet 50% domestic content requirements) and share connection costs. Otherwise, wind and maybe solar will be challenged to meet the 50% domestic content requirements.

   The market is already seeking to have Indigenous partnerships for both rounds to reduce costs. IESO should enable partnerships between technologies to share connection costs and meet domestic content Milestones at the lowest cost to the Rate Base.

2. Establishing a "Reserve Price" for new hydroelectricity:
   - The IESO has indicated that (uniquely for this procurement) a confidential Reserve Price will be established, above which proposals would not be accepted.
   - The establishment of the Reserve Price is to be based on the outcomes from Window 1 of the LT2 RFP for Energy and Capacity (non-hydro technologies), with potential adjustments to consider the contribution to:
     - supply diversity;
     - "buy local" provisions;
     - Relative operational lifespan; and
     - baseload production.
   - The industry has consistently expressed its opposition to the reliance on the outcomes of the LT2 procurement for other technologies as the baseline for the derivation of the reference price and has recommended that such a price be premised on a fair assessment of current hydroelectric valuations.

3. Challenging timelines and the uncertainty of the Reserve Price will cause developers to bypass LLT-e in favour of the LT2-e2/c2 in 2027.

Recommendation:

1. **Operate the LLT-Energy and the next LT2-e2/c2 in parallel with the same submission date in 2027 (see timeline comments above), and to allow partnerships to meet the domestic content requirements (e.g., a mix of hydroelectric and wind to meet 50% domestic content requirements) and share connection costs.**

2. **IESO, if it wishes to complete LLT-Energy in 2026, should abandon the undisclosed Reserve Price because of the uncertainty it creates and provide the market assurances that a second round will be organized if the 1 TWh in supply is not achieved. To encourage submissions despite the timeline's challenges, the IESO should also waive submission fees. IESO can reserve the right not to accept a price it deems too high, and that waterpower project can submit to the next LLT-Energy round in 2027/2028.**

3. **If the IESO insists on a Reserve Price, IESO should disclose it in May 2026 and allow for industry comments based on past hydroelectric costs:**

    - ***The results of the most recent IESO competitive procurement of hydroelectric projects through the 2016 Large Renewables Procurement;***
    - ***Application of appropriate inflation indices since 2016;***
    - ***The unique values perpetual hydroelectric assets provide to the electricity system and to local/regional/provincial economies;***
    - ***Hydroelectric bids in recent IESO Long-Term procurements;***
    - ***Indigenous Communities support of hydroelectric as a Legacy Asset; and***
    - ***Recently completed and anticipated hydroelectric developments by OPG.***

    The market can then decide if the bid submission timelines and costs, combined with a price ceiling, are reasonable for assets that can operate for up to 150 years.

4. **If the IESO insists on a Reserve Price which will not be divulged to the market before bid submission, it should balance that by the IESO waiving the submission fees and providing the market assurances that a second round will be organized if the 1 TWh in waterpower supply is not achieved. Otherwise, a developer may choose not to incur the costs of submitting if they speculate their price is above the Reserve Price.**

5. **If the IESO insists on a Reserve Price which will not be divulged to the market before bid submission, it should not be based on LT-e1/c1. Instead, the LLT-Energy and LT2-e2/c2 should be done in parallel, and the Reserve Price should be based on:**

    a. **a published formula; and**

    b. **LT-e2/c2 Wind and Solar that need to meet the same domestic content requirements as LLT-Energy in 2027.**

Investor confidence required to realize one (1) TWh of new hydroelectricity from projects across the province requires reasonable timelines, clarity of the price the IESO will pay, and certainty that if a developer fails in the first round, there is a second round to submit their hydroelectric project and recover their losses. In summary, a market like solar, wind and BESS, which has had three rounds since 2022.