

# Stakeholder Feedback and IESO Response

## Long Lead-Time Request for Proposals (LLT RFP) – March 13, 2026

Following the [January 28, 2026, Long Lead-Time RFP Engagement Webinar](#), the Independent Electricity System Operator (IESO) invited stakeholders and communities to provide feedback on the following design items: Buy Local Policy Provisions, Resource Eligibility for the Capacity Stream, Access Rights for Energy Projects, Periods of Reduced Water Availability, Regulation Service Readiness Requirements and other procurement design considerations. Non-confidential feedback is posted on the [Long Lead-Time RFP Engagement Webpage](#). Feedback identified as confidential by stakeholders and communities is not posted but reflected as part of the common feedback themes. Please refer to the feedback forms for specific comments, as the information below is provided in summary form.

### 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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market rules, or the subject contract, legislation, regulation, or procurement document, as applicable, govern.

## A) Buy Local Policy Provisions

Stakeholders highlighted that engineering, construction, and civil works often have strong domestic procurement potential, while electrical and mechanical equipment is more likely to be imported due to limited domestic manufacturing.

Feedback / Common Themes	IESO Response
<p><b>The IESO should not implement a blanket requirement for 50% local content:</b></p> <ul style="list-style-type: none"> <li>• If a project requires specialized equipment that is only available outside Canada and that equipment represents more than 50% of the projects total cost, this should be taken into consideration.</li> <li>• Certain technologies require specialized equipment only available outside Canada.</li> <li>• Some drilling, fabrication, and advanced mechanical components have no supply chain in Ontario or Canada.</li> <li>• Certain types of energy storage may only be able to achieve 20–25% domestic content without major cost increases or schedule impacts.</li> </ul>	<p>The IESO continues to expect that the LLT RFP will include provisions that incentivize Proponents to source goods and services within Canada. At this time, a minimum content level requirement is not expected, except in the case where the Proponent pursues additional RFP incentives that are under consideration.</p> <p>Specifically, the government is considering providing an RFP evaluated price incentive for projects that are able to demonstrate that 75% of total project costs or civil works costs [to be confirmed] have been sourced from within Ontario/Canada. These projects would be eligible for a 2% reduction to their Evaluated Proposal Price. This approach:</p> <ul style="list-style-type: none"> <li>• Maintains optionality for technologies whose supply chains inherently rely on international components;</li> <li>• Avoids creating barriers for projects where domestic alternatives do not exist or would significantly increase costs or timelines; and</li> <li>• Encourages, rather than mandates, the use of increased domestic sourcing where feasible.</li> </ul>

**The IESO will need to be flexible with its implementation of the buy local provision:**

- Many stakeholders support the intent of promoting local economic participation.
- Early-stage project development often lacks detailed supplier information, so requirements should allow high-level commitments rather than granular sourcing details at the proposal stage.
- Flexibility is needed to adjust procurement plans as supply chain conditions change.

To support flexibility, the government is considering providing additional RFP incentives for projects that are able to demonstrate that 75% or more of civil works/total project spend [under consideration] is being sourced locally.

Under the current proposal, all Proponents would still be required to submit a Supply Chain Disclosure Plan (SCDP) at the time of Proposal submission, which would:

- Outline the Proponent’s overall plan for sourcing goods and services for the development and construction of the project;
- Identify the expected country of origin for major categories of such goods and services; and
- Provide a rationale for any such goods or services not expected to be sourced within Canada.

Where a Proponent is successful in the LLT RFP, the IESO will share the plan submitted as part of their Proposal with the Ministry of Energy and Mines.

While the IESO understands that the specific plans may change, Proponents who elected for the additional RFP incentives would be required to demonstrate they have met the minimum threshold. If it cannot be demonstrated that the project sourced 75% of civil works/total project spend [to be confirmed] locally, liquidated damages may apply (amounts TBD).

Feedback / Common Themes	IESO Response
<p><b>The IESO should broaden its definition of Local Content:</b></p> <ul style="list-style-type: none"> <li>• Local content should consider all goods, services, and workforce across the full project lifecycle, not just capital equipment.</li> <li>• Local content should consider all Canadian content, not solely provincial.</li> <li>• Companies operating in Canada; with Canadian offices or workforces should count as local regardless of international headquarters.</li> </ul>	<p>The IESO appreciates this feedback.</p> <p>Based on current discussions, the government is considering a definition of local content that reflects Canadian participation more broadly, rather than limiting eligibility to provincial activity.</p> <p>Definitions related to local content are still under consideration and will be shared in a future Stakeholder Engagement Webinar.</p> <p>The IESO understands, however, that only project costs incurred before commercial operation (i.e. capital costs) will be considered.</p>

Feedback / Common Themes	IESO Response
<p><b>The IESO should provide greater clarity around eligibility, evaluation and compliance:</b></p> <p>Stakeholders emphasized the need for clear rules, including:</p> <ul style="list-style-type: none"> <li>○ Definitions of eligible goods, services, and workforce.</li> <li>○ Evaluation criteria and scoring methodology.</li> <li>○ Any associated penalties or enforcement mechanisms.</li> <li>● Concerns exist that a multi-tiered geographic evaluation framework may complicate procurement or create trade-related conflicts.</li> <li>● Greater transparency is requested on how pricing and local content will be weighted in evaluations.</li> </ul>	<p>The government is currently considering the overall policy direction for the buy-local framework, including how eligibility, evaluation, and compliance requirements should be defined.</p> <p>The IESO will share stakeholder feedback with the government, which may be used to inform policy decisions.</p> <p>The IESO will share an update on the buy local policy provisions as part of the March Stakeholder Engagement Webinar.</p>
<p><b>The government should consider incentivising Indigenous Goods and Suppliers:</b></p> <ul style="list-style-type: none"> <li>● Definitions of “local” should center on the Indigenous territories and rights-holder communities where facilities are sited.</li> <li>● Local content requirements should integrate meaningfully with Indigenous community participation objectives and be shared with or codeveloped alongside Indigenous communities.</li> </ul>	<p>Policy direction related to local content requirements is being developed by the Ministry of Energy and Mines. At this time, the focus is on Canadian content, which could also include Indigenous goods and services, although these are not expected to be included as a separately incentivized sub-category.</p> <p>The IESO continues to encourage Proponents to work closely and engage with Indigenous Communities when developing their project.</p>

## B) Resource Eligibility – Capacity Stream

Stakeholders were supportive of the expansion of the Team Member Experience requirement. No additional substantive feedback was received.

## C) Access Rights – Energy Stream

Feedback / Common Themes	IESO Response
<p><b>Federal waterways processes (Parks Canada) should be clearly aligned with LLT requirements:</b></p> <ul style="list-style-type: none"><li>• Survey Permits are the initial instrument required to investigate waterpower sites on federal waterways.</li><li>• These permits should be obtained by the Proposal Submission Deadline, though site definition flexibility is needed because detailed studies occur later.</li><li>• Priority Permits and licensing steps occur after contract award and should remain separate from the PPA process to avoid duplicative or premature review.</li><li>• Projects should not be forced to define broad project boundaries (e.g., flood zones) where impacts will be addressed through required EA processes.</li></ul>	<p>The IESO appreciates this feedback. After discussing with Parks Canada, where a Proposal is in respect of a Federal Crown Land Project, at the time of Proposal Submission, the IESO will be requiring Proponents to provide either:</p> <ul style="list-style-type: none"><li>• a copy of the valid survey permit from the Parks Canada Agency in respect of the applicable lands (a “Survey Permit”); or</li><li>• an existing executed lease in favour of the Proponent in respect of the applicable lands.</li></ul> <p>At this time, the IESO does not anticipate any changes to the shapefile requirements (i.e., these will not include flood zones or other impacts identified through future EA processes).</p> <p>Successful Proponents will need to ensure they have considered all potential impacts of their project beyond the Project Site at the time of submitting their Proposal.</p>

Feedback / Common Themes	IESO Response
<p><b>Crown land access and MNR processes need streamlining and alignment with the LLT procurement:</b></p> <ul style="list-style-type: none"> <li>• Current Crown land application processes are not accepting submissions until LLT rules and contract terms are final, creating timing pressure.</li> <li>• Stakeholders strongly recommend a coordinated IESO–Ministry of Energy–MNR review mechanism to ensure timely access rights and prevent project risk.</li> </ul>	<p>The IESO is working with the Ministry of Natural Resources (MNR) to update the Prescribed Form: Access Rights (including the MNR Confirmation Letter) prior to procurement launch.</p> <p>The IESO also understands that MNR is in the process of updating the Crown Land Site Report form (CLSR) and will communicate with Proponents when this is ready for use; this is expected to be aligned with procurement launch.</p> <p>While MNR Confirmation Letters are not expected to be issued prior to procurement launch, proponents are encouraged to reach out to MNR in advance of this to discuss their project. While the CLSR form is being updated, the <a href="#">existing form</a> continues to be a useful resource as many requirements are expected to remain the same.</p> <p>For more information on applying to conduct pre-development or exploratory work on Crown land managed by MNR please visit: <a href="#">Renewable energy predevelopment projects on Crown land   ontario.ca</a></p> <p>Proponents can reach out to <a href="mailto:MNRRenewableenergysupport@ontario.ca">MNRRenewableenergysupport@ontario.ca</a> for any questions related to energy projects on provincial Crown lands.</p> <p>MNR will attend a future LLT RFP webinar to provide more details on the process for submitting and reviewing CLSRs and any updates/modifications.</p>

Feedback / Common Themes	IESO Response
<p><b>Flexibility is needed for inter-related hydro projects (i.e., those that are located on cascading river systems or rely on common infrastructure):</b></p> <ul style="list-style-type: none"> <li>• Some hydro projects involve multiple related sites or shared infrastructure (e.g., long transmission lines).</li> <li>• Allowing grouped submissions or linked applications would reduce risk to developers and enable cost efficiencies.</li> <li>• Without this flexibility, Proponents risk that only one of multiple interdependent sites may be approved, undermining project viability.</li> </ul>	<p>The IESO appreciates this feedback.</p> <p>To ensure fairness to all Proponents across IESO procurements, and to avoid issues with the deliverability testing process this would introduce (e.g. having to re-start testing in the event of certain failures), the IESO will not allow proposals to be linked for the purposes of sharing common infrastructure.</p> <p>Proposals will be evaluated independently based on the process set out in Section 4 of the RFPs.</p>

#### D) Periods of Reduced Water Availability

Stakeholders were generally supportive of the proposed adjustments to the E-PPA model presented during the January 28, 2026 Engagement webinar.

Feedback / Common Themes	IESO Response
<p><b>One stakeholder suggests that since period of reduced water availability is outside of a Supplier’s control that any risk to the Supplier should be capped at a small amount to manage exposure:</b></p> <ul style="list-style-type: none"> <li>• A localized cost would have little impact on the ratepayer and would be less costly than Supplier incorporating open-ended risk potential into their pricing models.</li> </ul>	<p>The IESO believes the adjustments to the E-PPA presented during the January 28<sup>th</sup> Engagement Webinar and reflected in the draft LLT(e) Contract posted to the Website on February 27, 2026, to recognize instances of high market pricing provide sufficient protection against risks that are less manageable via Proponent specified variables including Fixed Price and Imputed Production Factor.</p>

### E) Regulation Readiness Service Requirements

Stakeholders generally expect to be able to meet the proposed Regulation Services Readiness Requirements. Stakeholders also indicated they will review the next draft of the contract for further details once released. No additional substantive feedback was received.

### F) Reserve Price

Stakeholders expressed concern with the reserve price and would appreciate more transparent indicators regarding how the price will be calculated. Specific feedback on the common themes are provided below.

Feedback / Common Themes	IESO Response
<p data-bbox="203 149 852 254"><b>Stakeholders recommend a transparent process with greater predictability:</b></p> <ul data-bbox="243 254 852 1016" style="list-style-type: none"> <li data-bbox="243 254 852 527">• Stakeholders understand the rationale for reserve price confidentiality, but many express concern that the absence of any directional benchmark makes effective commercial planning difficult.</li> <li data-bbox="243 527 852 758">• Uncertainty around pricing is contributing to the risk of reduced participation, particularly for capital-intensive long-lead technologies.</li> <li data-bbox="243 758 852 1016">• Several Proponents note they must invest significant time and resources to project development without knowing whether the reserve price will be sufficient to support viable bids.</li> </ul>	<p data-bbox="852 149 1469 212">The IESO appreciates this feedback.</p> <p data-bbox="852 212 1469 1016">The IESO has decided to implement a confidential reserve price for the LLT RFP to avoid anchoring Proposal prices at, or near, a published threshold. By keeping the reserve price undisclosed, Proponents are encouraged to submit bids that reflect their true project costs and best value proposition, rather than tailoring offers relative to a known benchmark. This approach is designed to support genuine competition and to ensure that contracted resources represent the best possible value for ratepayers.</p>

Feedback / Common Themes	IESO Response
<p><b>The IESO should calculate the reserve price such that it reflects technology specific value:</b></p> <ul style="list-style-type: none"> <li>• Stakeholders emphasize that LLT capacity technologies differ materially from shorter-duration storage and should not be benchmarked to 4-hour storage pricing.</li> <li>• LLT capacity resources often have slower ramps, higher upfront capital intensity, and more limited merchant revenue potential—making capacity payments a much larger share of total revenue.</li> <li>• Some stakeholders recommend considering pricing from other long-duration or baseload-like technologies (e.g., gas or hydro), adjusted to reflect longer operational life, inertia, regulation capability, and system value.</li> </ul>	<p>The objective of the LLT procurement is to secure reliable system services at the best value for Ontario ratepayers.</p> <p>As part of the <a href="#">February 26, 2026 Stakeholder Engagement Webinar</a>, the IESO shared information about some of the attributes that are being considered when calculating the reserve price. The IESO continues to evaluate these attributes to ensure that the reserve prices for capacity and energy resources will be set at a reasonable level to balance project specific pricing considerations and cost effectiveness. The IESO also notes that comparisons to 4-hour storage prices will not be made as both LT2 Window 1 and the LLT are seeking an 8-hour capacity product.</p>

**The IESO should not be using LT2 pricing as a baseline to calculate the LLT RFP reserve price**

- Stakeholders note that LT2 pricing should not be used as the principal comparator because the technologies procured in LT2 are fundamentally different in value, duration, and cost structure.
- Some argue the LLT reserve price appears to create a competitive dynamic between fundamentally non-comparable technologies.
- There is concern that reserve pricing will restrict participation and bias outcomes toward technologies that do not reflect long-lead system needs.

The LT2 (e-1)/(c-1) RFP outcomes provide a starting reference point that reflects recent procurement experience for capacity and energy products in Ontario. Given that contractual performance obligations under both the LT2 RFPs and the LLT RFPs are relatively consistent, the IESO believes that the LT2 RFP pricing outcomes serve as a good baseline.

Using this baseline as a starting point, the IESO will quantify the additional attributes and system value offered by LLT RFP eligible technologies such as duration, operational life, reliability contributions, and other system services—and factor these into the reserve price accordingly.

This approach ensures that the reserve price reflects both:

1. The unique characteristics and value of LLT technologies, and
2. The need to ensure competitive, cost-effective outcomes for ratepayers, consistent with the IESO's mandate.

The intention is not to restrict participation or bias outcomes, but to ensure that all technologies are evaluated fairly based on their contributions to system needs.

## G) Deliverability

Feedback / Common Themes	IESO Response
<p data-bbox="203 296 800 369"><b>Stakeholders require additional time and clarity:</b></p> <ul data-bbox="256 394 841 940" style="list-style-type: none"><li data-bbox="256 394 841 548">• Stakeholders request additional time (e.g., ~6 months) to assess connection feasibility, given the complexity of LLT technologies.</li><li data-bbox="256 573 841 747">• Deliverability results do not align with current submission deadlines, creating significant uncertainty for project commitments.</li><li data-bbox="256 772 841 940">• External factors such as municipal election cycles further compress timelines and add uncontrollable risks for Proponents.</li></ul>	<p data-bbox="846 321 1466 457">The IESO appreciates this feedback and understands the need to have more clarity regarding project deliverability.</p> <p data-bbox="846 495 1455 674">The IESO presented a number of updates related to deliverability as part of the <a href="#">February 26, 2026 Stakeholder Engagement Webinar</a>, including:</p> <ul data-bbox="906 716 1479 1854" style="list-style-type: none"><li data-bbox="906 716 1479 1371">• In March, to support Proponents in the short term, the IESO plans to publish a list of transmission reinforcements planned to be in service post-2030. This information is intended to help Proponents identify areas with greater potential for incremental capacity relative to the LT2-Window 1 connection guidance. By providing visibility into future system enhancements, Proponents can better assess suitable project locations and connection strategies.</li><li data-bbox="906 1388 1479 1854">• Beginning in April, the IESO plans to conduct pre-deliverability assessments to give Proponents additional clarity on the deliverability of their projects. A submission form will be made available on the IESO website, and Proponents will be required to submit their requests by the indicated deadline. The IESO is considering allowing up to three</li></ul>

Feedback / Common Themes	IESO Response
	<p data-bbox="956 174 1442 352">submissions per Proponent, with each submission consisting of one connection arrangement and one proposed project size.</p> <ul data-bbox="911 369 1487 884" style="list-style-type: none"> <li data-bbox="911 369 1487 642">• If a project is identified as undeliverable during these assessments, the IESO may also identify potential common-corridor alternatives that could enable the project to become deliverable.</li> <li data-bbox="911 659 1487 884">• Following the release of LT2-Window 1 (capacity stream) results in June, the IESO will provide updates to the pre-deliverability assessments conducted in April (if applicable).</li> </ul> <p data-bbox="862 921 1487 1003">Further details will be shared as part of the March Stakeholder Engagement Webinar.</p>

Feedback / Common Themes	IESO Response
<p><b>The IESO should work with Proponents to resolve system constraints:</b></p> <ul style="list-style-type: none"> <li>Stakeholders recommend collaborative approaches between system operators, utilities, and Proponents to resolve local system constraints.</li> <li>Suggestions include applying cost tests to determine whether targeted upgrades (e.g., transformer upgrades) are more cost-effective than longer connection lines.</li> </ul>	<p>Beginning in April, the IESO will conduct pre-deliverability assessments to help Proponents understand potential connection constraints as early as possible. These assessments are intended to provide greater visibility into system conditions and to identify, where feasible, potential alternatives, such as common corridor options, that may improve deliverability outcomes.</p> <p>However, it is important to clarify that the IESO’s role in this process is to assess deliverability based on system needs and planned transmission capabilities. Proponents remain responsible for engaging directly with utilities to explore any local infrastructure solutions that may be needed to support their project.</p>

## H) General Feedback

Feedback / Common Themes	IESO Response
<p><b>The IESO should remove the Municipal Support Confirmation requirement:</b></p> <ul style="list-style-type: none"> <li>• Alternatively, the LLT procurement should be delayed until after new councils are in place in 2027 so projects can be evaluated without election-related pressure.</li> </ul>	<p>Municipal Support Confirmations (MSC) are a government policy requirement that will be maintained for projects seeking to participate in the LLT RFP.</p> <p>Proponents are strongly encouraged to engage with Local Municipalities as early as possible. Early engagement can help ensure councils have sufficient time to understand project proposals, ask questions, and undertake any internal processes required to consider MSCs in advance of the procurement deadlines.</p> <p>On February 27, 2026, the IESO posted final versions of the Prescribed Form: Evidence of Municipal Support on the <a href="#">LLT RFP Website</a> that can be used for the purposes of obtaining Municipal Support Confirmations. This form has been finalized early in recognition of the upcoming province-wide municipal elections and to provide Proponents with as much time as possible to get their support confirmations finalized prior to Proposal Submission.</p>

Feedback / Common Themes	IESO Response
<p><b>The IESO should expand indexation to more accurately reflect costs associated with longer development and construction timelines:</b></p> <ul style="list-style-type: none"> <li>• Expanding indexation to reflect key cost drivers—such as interest rates, steel, copper, and foreign exchange—would reduce developer risk, lower contingencies, and improve overall competitiveness.</li> <li>• Hydro-Québec has used such broader indexation mechanisms in past procurements.</li> </ul>	<p>The IESO will be maintaining the current CPI-based indexation approach.</p> <p>This framework has been applied consistently across recent procurements for new-build resources and for different technologies (e.g. energy storage, natural gas, wind, solar, bioenergy) and reflects the IESO’s willingness to take on risk related to project cost escalation prior to and during the Term.</p>
<p><b>Some contract requirements may constrain operational flexibility for long-duration technologies:</b></p> <ul style="list-style-type: none"> <li>• Weekday-only must-offer requirements and no weekend/holiday hours may not align with the operating profile of long-duration resources.</li> <li>• Outage provisions, while somewhat flexible, still impose constraints that some technologies may struggle to meet.</li> </ul>	<p>The Must Offer Obligations reflect the minimum requirements that Suppliers are expected to meet during the Term (i.e., offering outside Qualifying Hours is encouraged where the Supplier can capture additional market revenues). The must-offer requirement is limited to weekdays to align with system needs and maintain consistency with past procurement structures.</p> <p>With respect to outage provisions, the IESO believes that the flexibility included in the LLT(c) Contract (which includes the ability to take both shorter term Planned Outages and Mid-Term Extended Outages) is sufficient to accommodate maintenance of long-duration technologies. The outage provisions were intentionally designed to provide reasonable operational leeway while still ensuring reliability and transparency across all capacity resources.</p>

Feedback / Common Themes	IESO Response
<p><b>The procurement should encourage broad participation:</b></p> <ul style="list-style-type: none"> <li>• Broadening eligibility to include redevelopments or expansions of existing facilities would increase competition and tap into assets with proven system value.</li> </ul>	<p>The IESO has determined that separately metered expansions will qualify as New Build projects under both the energy and capacity streams. As New Build resources, these projects will be eligible to participate in the LLT RFP. This treatment is consistent with the approach used in the LT2 RFP, where such resources can independently register and operate in the IESO-Administered Markets, ensuring alignment across procurement processes.</p>