

# Stakeholder Feedback and IESO Response

## Long Lead-Time Request for Proposals (LLT RFP) – May 15, 2026

Following the [March 26 2026, Long Lead-Time RFP Engagement Webinar](#), the Independent Electricity System Operator (IESO) invited stakeholders to provide feedback on the following design items: Supply Chain Disclosure Plan and Related Incentives, Access Rights Requirements, Reserve Price, Deliverability, Regulation Service Readiness Requirements, Withdrawal Capability Check Test, 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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market rules, or the subject contract, legislation, regulation, or procurement document, as applicable, govern.

## A) Supply Chain Disclosure Plan & Related Incentives

Stakeholders generally expressed support for the IESO's proposed Supply Chain Disclosure Plan framework and were largely supportive of the Evaluation Price Reduction incentives, while offering some alternative approaches for consideration.

Feedback / Common Themes	IESO Response
<p><b>The IESO should revise the Committed Canadian Content Percentage (CCCP) adjustment to the Evaluated Proposal Price by applying a 1% reduction for Proposals with 50–60% CCCP, increasing on a sliding scale to a 3% reduction for Proposals exceeding 90% CCCP:</b></p> <ul style="list-style-type: none"><li>• The achievement of a 100% threshold of sourcing the total cost of Construction Materials and Construction Labour from Canadian Materials and Canadian Construction Labour Suppliers in order to achieve the maximum adjustment is unrealistic.</li></ul>	<p>The approach to CCCP Evaluated Proposal Price reduction has been established in alignment with the <a href="#">Ministerial Directive dated April 16, 2026</a> which prescribes the applicable framework, including the upper and lower bounds for Evaluated Proposal Price reduction. The IESO is required to implement the CCCP Evaluated Proposal Price reduction mechanism in a manner that is consistent with the Directive and cannot make the requested changes.</p>
<p><b>The IESO should allow flexibility to source equipment or expertise internationally when they are not available domestically.</b></p>	<p>The Supply Chain Disclosure Plan (SCDP) is intended for informational purposes only and is non-binding. Therefore, the SDCP does not constrain Proponents' ability to source materials or expertise from outside Canada where appropriate. The Evaluated Proposal Price reduction incentives are also voluntary, and Proponents are not obligated to seek these incentives.</p>

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<p><b>The IESO should broaden the definition of “Canadian Content,” as the current language is overly restrictive and difficult to apply in practice:</b></p> <ul style="list-style-type: none"> <li>For example, defining a Canadian Construction Labour Supplier as using only workers ordinarily resident in Canada creates an all-or-nothing threshold: if an Engineering, Procurement and Construction (EPC) contractor used even one non-resident worker for a single hour, the entire construction effort would no longer qualify as Canadian, despite the vast majority of labour being performed by Canadian residents.</li> </ul>	<p>The definitions relating to Canadian content, including those related to Canadian Construction Materials and Canadian Construction Labour Suppliers, are established in accordance with the <a href="#">Ministerial Directive dated April 16</a>, which prescribes the applicable framework and requirements. The IESO is required to implement these definitions as set out in the Directive and does not have the discretion to modify them within the scope of this procurement.</p>

## B) Access Rights: Requirements

Feedback / Common Themes	IESO Response
<p><b>The IESO should reconsider or provide greater flexibility in the requirement to execute the Access Rights Prescribed Form where a proponent has already satisfied all legal, contractual, and financial obligations under an option to lease:</b></p> <ul style="list-style-type: none"> <li>As currently structured, the requirement introduces unnecessary project risk if landowners are temporarily unavailable or unable to execute documents electronically and may enable landowners to leverage execution of the form to seek</li> </ul>	<p>The Access Rights requirements are intended to ensure that, for Project Sites located on private Property (i.e. not including Provincial Crown land or Federal Crown Land), Proponents have secured a sufficient level of access to build, operate and maintain the LLT Energy Project or LLT Capacity Project at the Project Site. In the case where title to one or more Properties is not in the name of the Proponent, a letter is required to be submitted to the IESO that is signed by the documented title holder of such Properties to demonstrate that the Proponent has either: (i) the contractual right to acquire the properties</p>

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<p>compensation beyond agreed terms. These risks are heightened for larger LLT projects that require access to multiple private land parcels, particularly where landowners may be seniors, farmers, or seasonally absent.</p>	<p>(e.g., option to purchase) or (ii) contractual rights to build, operate and maintain the project on such Properties (i.e., executed lease or option to lease), if it is selected as a Selected Proponent. Whether a Proponent holds an option to lease, an executed lease, or an option to purchase the applicable Property(ies), the existence of such contractual rights must be confirmed through a letter by the documented title holder of the Property(ies) in the context of submitting a Proposal to participate in the LLT RFP. The IESO will not be reviewing or assessing the validity of Proponents' private land tenure documents as part of the evaluation of the LLT RFP.</p>
<p><b>The IESO should work with the Ministry of Natural Resources (MNR) to enable earlier access to Provincial Crown Land availability for LLT proponents:</b></p> <ul style="list-style-type: none"> <li>• Delaying acceptance of Crown Land Site Reports until issuance of the LLT RFP Directive risks creating a significant bottleneck, with many proponents submitting forms simultaneously.</li> <li>• Clear service standards for application turnaround, transparency on expected timelines, and confirmation of process readiness are needed to reduce schedule risk for LLT proponents.</li> </ul>	<p>The IESO notes that the Ministry of Natural Resources (MNR) published its updated <a href="#">Public Land Site Report</a> (PLSR) form (formerly the Crown Land Site Report (CSLR)) on April 1, 2026, in advance of the launch of the LLT RFP. In addition, MNR provided further updates and clarification on the form and related requirements during the <a href="#">April 23, 2026 LLT RFP stakeholder engagement session</a>, supporting Proponents in understanding MNR's requirements and timelines.</p> <p>The LLT RFP launched on May 6, 2026, and Proponents are now able to submit their completed PLSR forms to MNR for review.</p>

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<p><b>The IESO should revise the definition of “Project Site” to require mandatory disclosure of the full hydraulic footprint of hydroelectric projects, including headponds, inundation and drawdown zones, and affected upstream and downstream areas, prior to Proposal evaluation and before Municipal Support Resolutions or Evidence of Indigenous Support are sought:</b></p> <ul style="list-style-type: none"> <li>• Relevant prescribed forms (including AR100 and MS100) should be amended to require submission of shapefiles or equivalent spatial data covering this full footprint.</li> <li>• Municipal support requirements should apply to any project whose modelled hydraulic footprint extends onto, abuts, or affects municipal or private lands, regardless of whether generating infrastructure is located wholly on Crown land.</li> </ul>	<p>At the LLT RFP Proposal Submission stage, Proponents are required to provide a scale map of the Project Site and demonstrate they have the contractual right to utilize the applicable Properties incorporated in the Project Site.</p> <p>The full extent of the project’s structural, hydraulic, and ecological footprint is not expected to be fully known at the time of Proposal submission and would typically be better understood by Proponents as part of the completion of environmental assessment, permitting, and other regulatory processes.</p> <p>As part of the Prescribed Form: Access Rights Declaration, Proponents are required to acknowledge that the development, construction, and operation of their project may have impacts beyond the Project Site identified within the Proposal.</p>

### C) Reserve Price

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<p><b>The IESO should reconsider the application of a Reserve Price in the LLT RFP, as it may limit participation and undervalue long lead-time, capital-intensive resources:</b></p> <ul style="list-style-type: none"> <li>• Preparing compliant LLT RFP Proposals involves significant upfront costs, particularly for greenfield</li> </ul>	<p>The Reserve Price in the LLT RFP 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. While the IESO believes that the pricing outcomes of the</p>

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<p>projects, which increases unrecoverable risk if a reserve price is set too low.</p> <ul style="list-style-type: none"> <li>• The Reserve Price may discourage participation or result in higher Proposal prices as Proponents add risk premiums to account for this uncertainty.</li> <li>• Reliance on pricing outcomes from a single procurement, such as LT2 Window 1, risks anchoring the reserve price to non-replicable conditions and limiting future participation.</li> <li>• The IESO has not provided sufficient clarity on how the reserve price would be calculated or benchmarked against system needs, alternative resources, or long-term value.</li> </ul>	<p>first window of the LT2 RFP serve as an appropriate baseline, it intends to incorporate other considerations, such as longer development periods, inflation, CTITC risks and other value attributes (e.g., Regulation Services Readiness Requirements, operational life, diversity value) when setting the Reserve Price for the LLT RFP.</p> <p>The IESO notes that affordability and ratepayer impacts are a key consideration for procurement activities, and the IESO will be applying a Reserve Price to manage these impacts.</p>
<p><b>The IESO should move beyond sole reliance on levelized cost of electricity and incorporate a multi-criteria evaluation framework that reflects both cost and system value, including affordability, reliability, sustainability, and long-term system resilience.</b></p>	<p>The IESO notes that the LLT RFP Reserve Price is not intended to be based on a levelized cost of electricity model. In establishing the Reserve Price, the IESO will consider a range of relevant inputs such as longer development periods, inflation, CTITC risks and other value attributes (e.g., Regulation Services Readiness Requirements, operational life, diversity value) when setting the Reserve Price for the LLT RFP.</p>
<p><b>In respect of the LLT(c) RFP the Reserve Price should be validated</b></p>	<p>The objective of the LLT RFP is to secure resources that can contribute to meeting</p>

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<p><b>against the expected costs and value of alternative long-duration resources available in the 2030s, rather than battery resources procured under LT2 RFP:</b></p> <ul style="list-style-type: none"> <li>• If a Reserve Price is retained, it should be informed by an appropriate reference technology that reflects comparable system value and asset characteristics, such as pumped hydro storage for capacity resources.</li> <li>• The Reserve Price should account for the added system value of non-inverter based, long-duration resources, including grid stability services such as inertia, fault current contribution, and supply diversity, which can reduce future system and infrastructure costs as inverter-based resources increase.</li> </ul>	<p>reliability needs at the best value for Ontario ratepayers. The LT2 (e-1)/(c-1) RFP outcomes provide a relevant starting reference point, reflecting recent procurement experience for capacity and energy products in Ontario. Given that contractual performance obligations under both the LT2 and LLT RFPs are broadly aligned, the IESO considers LT2 pricing outcomes to be an appropriate baseline for comparison.</p> <p>Building from this baseline, the IESO will consider a range of relevant inputs such as longer development periods, inflation, CTITC risks and other value attributes (e.g., Regulation Services Readiness Requirements, operational life, diversity value) when setting the Reserve Price for the LLT RFP.</p>

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<p><b>The IESO should consider broader economic benefits in Reserve Price development, including job creation and workforce transition opportunities as emitting resources are phased out, particularly where skills are transferable from existing gas generation.</b></p>	<p>The IESO recognizes that projects participating in the LLT RFP can deliver additional economic benefits beyond the provision of energy and capacity.</p> <p>In establishing the Reserve Price, the IESO will consider a range of relevant inputs such as longer development periods, inflation, CTITC risks and other value attributes (e.g., Regulation Services Readiness Requirements, operational life, diversity value).</p>
<p><b>The IESO should reflect project financing realities for long lead time technologies, which rely more heavily on contracted capacity revenue due to limited merchant dispatch opportunities.</b></p>	<p>The IESO recognizes that different resource types have varying revenue profiles; however, a greater reliance on contracted capacity payments, particularly where a Facility has limited ability to earn additional revenues in the energy market, does not necessarily represent greater value for ratepayers. The procurement framework is designed to ensure that ratepayers pay for services that provide demonstrable system value at a reasonable cost, using a form of long-term contract that enables project financing.</p>

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<p><b>The IESO should revise the proposed Proposal price indexing approach to better reflect the cost escalation risks faced by long lead-time projects, recognizing that CPI alone does not align with actual increases in construction labour, materials, and equipment costs.</b></p> <ul style="list-style-type: none"> <li>The IESO should consider more flexible price adjustment mechanisms that allow Proposal prices to be linked to additional indices, such as long-term Government of Canada bond rates for debt financing, key commodity prices (including steel and copper), construction materials, and foreign exchange rates, to more equitably allocate risks arising from economic factors outside proponents' control.</li> </ul>	<p>The IESO will maintain the current indexing and escalation framework as set out in the LLT(e) and LLT(c) Contracts. Proponents are expected to consider their specific cost structures, risk exposures, and financing arrangements when developing their Proposal prices, including any anticipated variability in labour, materials, commodities, tax attributes and other cost drivers. These factors are part of normal project development and bidding considerations and should be appropriately reflected in submitted Proposal prices.</p>

## D) Deliverability

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<p><b>The IESO should ensure deliverability assessments fully reflect network commitments arising from LT2 procurements:</b></p> <ul style="list-style-type: none"> <li>The IESO should incorporate awarded LT2 projects into deliverability assessments to ensure results accurately reflect available system and distribution capacity.</li> <li>The IESO should provide clarity on how deliverability will be assessed</li> </ul>	<p>To support Proponents in advancing project development and managing deliverability risks, the IESO has implemented a Pre-Deliverability Testing process prior to Proposal Submission. The <a href="#">LLT RFP Deliverability Testing Methodology</a> was published on April 14, 2026, to provide Proponents with transparency on how deliverability will be assessed and to inform project development decisions.</p>

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<p>where LT2 proponents have not yet secured distribution connections, as this uncertainty may undermine the accuracy of connection capacity assessments for LLT projects.</p>	<p>Pre-Deliverability Test results for intake forms submitted prior to April 28, 2026, will incorporate the results of contracts awarded through the LT2(e-1) RFP. Results for intake forms submitted after April 28, 2026, and updates to tests completed during the first submission window, will incorporate LT2(c-1) RFP results.</p> <p>Proponents have multiple opportunities to request a pre-Deliverability Test, with the next deadline for submissions on June 30, 2026.</p> <p>The IESO’s pre-Deliverability Tests will consider the impact of distribution connected projects awarded contract in LT2 window 1. It is up to the Local Distribution Company (LDC) on whether to include awarded projects in the guidance they provide to proponents seeking to connect to their distribution system for the LLT RFP. For any concerns with treatment of these resources with respect to a potential project submission, please reach out to the IESO for a deliverability consultation and/or to the applicable LDC to discuss further.</p>

## E) Regulation Service Readiness Requirements

Stakeholders were supportive of the IESO’s proposed Regulation Service Readiness Requirements. Specific feedback is detailed below

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<p><b>Full responsibility for achieving regulation services readiness should rest with the proponent, with no cost</b></p>	<p>A Project participating in the LLT(c) RFP that is considered a Regulation Ready-Required Facility, defined as a Facility with a Nameplate Capacity greater than or equal</p>

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<p><b>or risk transferred to ratepayers in the event of non-performance:</b></p> <ul style="list-style-type: none"> <li>• Timelines for demonstrating Regulation Services Readiness Requirements must be clearly defined within finite deadlines.</li> </ul>	<p>to twenty (20) MW and that is directly connected to a Transmission System, will be required to demonstrate the capability to provide Regulation Services should the Project be awarded an LLT(c) Contract. Responsibility for achieving these requirements, and any costs associated with this, will be borne by the Proponent.</p> <p>For Regulation Ready-Required Facilities, meeting the Regulation Services Readiness Requirement is a requirement to achieve Commercial Operation. Such Suppliers are also required to use Commercially Reasonable Efforts to satisfy all Regulation Services Testing Requirements by no later than eighteen (18) months after Commercial Operation.</p>
<p><b>Readiness assessments should reflect realistic operating conditions, including seasonal water flow variability, recognizing physical constraints on a facility’s ability to regulate output.</b></p>	<p>All Regulation Ready-Required Facilities will be required to meet the applicable performance and commissioning requirements necessary prior to final registration to provide Regulation Services, as established in the IESO Market Rules. These requirements are designed to validate a Facility’s ability to reliably provide Regulation Services under representative operating conditions.</p> <p>For further clarify, the Regulation Services Readiness Requirements only apply to Regulation Ready Required Facilities under the LLT(c) Contract.</p>

## F) Withdrawal Capability Check Test

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<p><b>The IESO should require that withdrawal capability be assessed under realistic operating conditions rather than theoretical nameplate capacity;</b></p> <ul style="list-style-type: none"> <li>In the case of pumped hydro the assessment should account for low-flow and drought conditions in which available flow and generating head constrain withdrawal capability.</li> </ul>	<p>The Capacity Check Test framework is designed to verify that a Facility can perform at its Contract Capacity and may be conducted at any time, beginning during Qualifying Hours within the defined test window, subject only to specified ambient temperature constraints.</p> <p>The test is not adjusted for external factors such as hydrological variability, and is intended to confirm performance against the contractual obligations.</p>

## G) General Feedback

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<p><b>The IESO should carry forward any unachieved hydroelectric energy targets from the initial LLT(e) RFP into a subsequent window of the LLT(e) RFP, where shortfalls result from core procurement design features:</b></p> <ul style="list-style-type: none"> <li>If the proposed 1 TWh (200–250 MW) hydroelectric target is not met due to timelines, reserve pricing, or indexation, remaining MWh should be set aside for hydro resources in a future LLT(e) RFP.</li> </ul>	<p>At this time, the IESO has been directed to run a single window of the LLT RFP. Future windows will be at the discretion of the Minister of Energy and Mines and may depend on factors such as procurement outcomes (e.g., pricing, contracts awarded, remaining targets) and system needs.</p>
<p><b>The IESO should track, in coordination with MNR, the volume and aggregate capacity of Public Lands Site Reports submitted relative to projects bidding into the initial LLT(e) RFP:</b></p>	<p>The Ministry of Energy and Mines (MEM) collaborates with the MNR when setting policies that will apply for procurement initiatives. Insights may be shared with the IESO and between the Ministries to help</p>

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<ul style="list-style-type: none"> <li>This information should be used to inform future procurement targets and ensure that viable hydro opportunities are not permanently foreclosed by near-term design constraints.</li> </ul>	<p>inform the development of the Ministerial Directive required to launch a procurement. For further clarity, the PLSR form does not capture the size of the proposed project and instead is intended to confirm that Proponents are aware of and have reviewed certain Crown land resources when selecting a Project Site.</p>
<p><b>A single round of the LLT RFP creates a bottleneck with multiple projects competing for limited Canadian sourced construction, engineering and other professional services:</b></p> <ul style="list-style-type: none"> <li>This bottleneck increases time and cost risk to the LLT participants and may erode the competitive nature of the RFP by limiting the number of projects and adding to the risk premiums within the bids themselves.</li> </ul>	<p>At this time, the IESO has been directed to implement a single window for the LLT RFP. The IESO recognizes that concentrated demand for construction, engineering, and professional services may introduce risks for Selected Proponents. These factors are inherent considerations in a competitive procurement process, and Proponents are expected to account for supply chain availability and associated risks in their Proposals.</p>
<p><b>The IESO should adjust the timing of the LLT RFP procurement to align with municipal governance cycles and provide sufficient time for proponents to meet MSR and bid requirements:</b></p> <ul style="list-style-type: none"> <li>The procurement and MSR process should not coincide with municipal election periods, as this may limit informed and stable decision-making by councils.</li> <li>Municipal review of long-term infrastructure projects should occur under a newly elected council with</li> </ul>	<p>The IESO released the Prescribed Form: Evidence of Municipal Support on February 27, 2026, in a format which could be used to obtain Municipal Support Confirmations. These forms are available on the <a href="#">Long Lead-Time RFP webpage</a>, enabling Proponents to initiate engagement with municipalities well in advance of the Proposal Submission Deadline. This form was further updated as part of procurement launch on May 6, 2026. Both versions of the form are valid for use.</p>

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<p>sufficient mandate, time, and capacity for proper scrutiny and consultation.</p> <ul style="list-style-type: none"> <li>• The Proposal Submission deadline should be deferred to Q1 or Q2 2027 to reflect delays in the procurement launch and the Ministry directive.</li> <li>• Maintaining a fixed Proposal Submission deadline while the procurement start date shifts compresses timelines and reduces proponents' ability to prepare complete submissions.</li> </ul>	<p>The IESO had 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 advance project development activities.</p>