

Stakeholder Feedback and IESO Response

Long Lead-Time Request for Proposals (LLT RFP) – January 8, 2026

Following the [November 19 2025, Long Lead-Time RFP Engagement Webinar](#), the Independent Electricity System Operator (IESO) invited stakeholders to provide feedback on the following design items: Resource Eligibility, Team Member Experience, Access Rights, Early In-Service Provisions, 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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A) Resource Eligibility – Hydroelectric Facilities

Stakeholders were generally supportive of the proposed resource eligibility requirements under the LLT(c) RFP, but some continue to request that LLT(e) RFP eligibility be extended to include redeveloped hydroelectric facilities. Specific feedback is cited below.

Feedback / Common Themes	IESO Response
<p>The IESO should not exclude hydroelectric redevelopments from the LLT RFP:</p> <ul style="list-style-type: none">• Previous rationale provided by the IESO, which indicated that redevelopments should not be eligible as historical redevelopment timelines are highly variable, should have no bearing as O.Reg. 124/02 and MNR Policy interpretation of a redevelopment can imply that a redeveloped hydroelectric facility may be treated from a procurement perspective as a newly developed facility.• One stakeholder indicated that hydroelectric redevelopments that take longer than 4 years should be eligible to participate.	<p>Hydroelectric redevelopments will not be eligible under the LLT RFP. The LLT RFP is intended for long lead time resources that take five or more years to develop. In addition, the IESO is seeking incremental new energy producing resources to meet identified system needs at this time.</p> <p>The IESO appreciates this feedback and is currently developing its approach to the treatment of repowering resources, including hydroelectric expansions, upgrades and redevelopments. The IESO encourages interested proponents to participate in these discussions and look for participation opportunities under future windows of the LT2 RFP.</p>

B) Team Member Experience

Stakeholders were generally supportive of the IESO's proposed Team Member Experience requirements but provided mixed feedback on the IESO's definition of a Same Technology Qualifying Project. Specific feedback is provided below.

Feedback / Common Themes	IESO Response
<p>The definition of Same Technology Qualifying Project under the LLT(c) RFP should include projects from all foreign jurisdictions and should include projects < 1MW:</p> <ul style="list-style-type: none">• One stakeholder indicated that Germany should be added to the list of jurisdictions under the definition of Same Technology Qualifying Project.• One stakeholder suggested that the IESO should maintain its Qualifying Project construct used under previous procurements as opposed to using the Same Technology Qualifying Project construct.	<p>The IESO appreciates this feedback, after careful consideration, the IESO has generally reverted to the Team Member Experience requirements under the LT2 RFP (i.e., Qualifying Projects must be electricity generation or electricity storage facilities that have reached commercial operation in Canada or the US in the last 15 years with a minimum size of 1 MW under the energy stream and 10 MW under the capacity stream).</p> <p>Same Technology Qualifying Projects will continue to be applicable to projects utilizing a Class II LDES technology only. This is being proposed to reflect that Class II LDES technologies are newer technologies that have only recently begun operating on a grid-scale level and may have unique technical, permitting and regulatory requirements with which many developers have limited experience. Accordingly, this approach better supports projects successfully reaching commercial operation by having team members that have experience developing the same technology.</p> <p>The list of applicable jurisdictions for Same Technology Qualifying Projects reflects those jurisdictions that are expected to have similar permitting and regulatory requirements to those in Ontario. In response to stakeholder feedback, this list has been extended to include Germany.</p> <p>Lastly, the IESO will be retaining the 1 MW threshold for Same Technology Qualifying Projects to ensure that experience has been attained with grid-scale projects that are aligned with the minimum size requirements under the IESO Market Rules. These Same Technology Qualifying Projects must be expected to reach commercial operation by December 31, 2029.</p>

Feedback / Common Themes	IESO Response
<p>Under the LLT(e) RFP, the IESO should require experience in planning, developing, financing and operating for at least 2 hydroelectric projects within the Canada and the U.S., no more than 15 years prior to Proposal submission.</p>	<p>The IESO acknowledges that hydroelectric facilities are mature technologies that have been operating in Ontario for over a century.</p> <p>The IESO has not included specific requirements to have experience developing hydroelectric projects due to the fact there have been a limited number of new-build facilities commissioned in Ontario over the past 15 years. Considering this, having a requirement specific to hydroelectric project experience may limit participation in the procurement and impact overall levels of competition.</p>

C) Access Rights

Specific feedback is provided below.

Feedback / Common Themes	IESO Response
<p>For hydroelectric projects, the IESO should confirm access rights requirements for federal waterways by engaging with Parks Canada:</p> <ul style="list-style-type: none"> There are different requirements for permission between federal and provincial jurisdictions, for example the Dominion Waterpower Act falls under federal jurisdiction. 	<p>The IESO appreciates this feedback and is engaging with the Ontario Ministry of Natural Resources (MNR) to support development of Access Rights requirements for hydroelectric facilities under the LLT RFP.</p> <p>Proponents considering projects on federal waterways are encouraged to submit additional feedback to the LLT RFP team that may help inform the development of access rights requirements and guide future discussions with MNR.</p> <p>The IESO intends to release draft prescribed forms outlining access rights requirements for hydroelectric projects in the coming weeks.</p>

D) Early In-Service Provisions

Stakeholders were generally not supportive of the IESO's proposed early in-service provisions, indicating that the proposed approval process negatively impacts project financing by creating a potential timing misalignment with available tax credits. Specific feedback is provided below.

Feedback / Common Themes	IESO Response
<p>Early in-service provisions should be structured in a manner that allows the Proponent to remain eligible for the Investment Tax Credit (ITC) level that is expected by a Supplier at the time of Contract award:</p> <ul style="list-style-type: none">• The interaction between early in-service flexibility and the scheduled step-down of the ITC could inadvertently undermine investor confidence and impeded the timely build-out of energy storage.• The IESO should allow projects to reach commercial operation before 2034 as it would provide Suppliers to capture the ITC before the full 30% step down occurs at the end of 2033.	<p>The IESO acknowledges that Suppliers will aim to have commercial operation aligned with ITC eligibility dates to maximize the ITC benefits that can be realized by the project and will consider this feedback when developing early commercial operation provisions.</p> <p>During the December 18, 2025 Stakeholder Engagement Webinar the IESO presented updated considerations related to Early Commercial Operation provisions and how they may be impacted by assumptions made at the time of the deliverability assessment. The IESO encourages stakeholders to provide feedback on these items and also to schedule an early deliverability discussion to share considerations in more detail.</p>
<p>Suppliers should be eligible to make a second early in-service request if the first request is rejected.</p>	<p>The IESO has updated its early in-service provisions and will no longer require Suppliers to submit a request to achieve commercial operation between years 5 and 8 after the Contract date. The IESO encourages stakeholders to review the materials presented during the December 18, 2025 Stakeholder Engagement Webinar. <small>OBJ</small></p>

Feedback / Common Themes	IESO Response
Early in-service provisions are irrelevant for conventional hydroelectric facilities with reservoir capability as they often go over schedule due to their scale and complexity.	The IESO is considering early commercial operation provisions to better align the start of the contract term with the date a resource is able to connect their facility to the IESO Controlled Grid. Suppliers will have up to the Milestone Date for Commercial Operation to reach commercial operation, which may be extended to the Longstop Date by paying Delay Liquidated Damages. Beyond this, failure to achieve Commercial Operation in alignment with the terms of the LLT Contract will constitute an Event of Default.

E) Reserve Prices

Specific feedback is provided below.

Feedback / Common Themes	IESO Response
<p>The IESO should provide transparency on the methodology used to determine the LLT RFP reserve price:</p> <ul style="list-style-type: none"> Without transparency developers risk anchoring bids to incorrect assumptions that can lead to a misalignment between system needs and procurement outcomes. The reserve price should incorporate quantified economic, environmental and grid reliability benefits instead solely relying on benchmarks, such as previous procurement outcomes. One stakeholder indicated that transparency could be provided either through a reserve price range, methodology overview or indicative signals. 	<p>To preserve competition and ensure the most cost-effective outcomes, the IESO maintains that the reserve price will be confidential and will be determined by the IESO and documented with its Fairness Advisor prior to the Proposal Submission Deadline.</p> <p>In its determination of the reserve price, the IESO will consider factors that include, but are not limited to:</p> <ul style="list-style-type: none"> results from window 1 of the LT2 RFP; the 40-year contract term offered under the LLT RFP; the impact of longer lead times on the amount of time that incurs before revenue realization for a supplier; and, additional reliability benefits associated with long lead-time resources, for example their ability to provide future ancillary services to the IESO.

Feedback / Common Themes	IESO Response
<p>The IESO should accommodate a second round of Proposal Price submission if the initial Proposal Price exceeds the reserve price:</p> <ul style="list-style-type: none"> • Such a mechanism would allow Proponents to refine their proposals as opposed to having the evaluation process ended prematurely for a Proposal • Alternatively, the IESO could use its reserve rights to reject a Proposal that it deems too expensive. 	<p>If the initial Proposal Price exceeds the reserve price, the IESO is not contemplating allowing for a second round of Proposal Price submission under the LLT RFP.</p> <p>Only one round of Proposal Price submission will be allowed in order to maintain fairness in the procurement process, provide all Proponents with an equal chance, and administer the LLT RFP through an efficient Proposal Evaluation process.</p>
<p>The IESO should utilize the outlier bid mechanism approach from the E-LT1, LT1 and LT2 RFPs in lieu of a reserve price.</p>	<p>Due to the level of competition expected under the LLT RFP, which will be less than other technology agnostic procurements such as the LT2 RFP, and the uncertainty related to long lead time project pricing, the IESO believes a reserve price is a more appropriate approach to ensure cost effective procurement outcomes.</p>

F) General Feedback

Feedback / Common Themes	IESO Response
<p>The IESO should not proceed with its proposed optional termination design:</p> <ul style="list-style-type: none"> • Optional termination without a clear, fair and predefined reimbursement structure introduces significant financing and equity risk. • Optional termination is problematic for equity partnerships with Indigenous communities. 	<p>As indicated at the December 18, 2025 Stakeholder Engagement Webinar and reflected in the draft LLT(e) Contract and draft LLT(c) Contract posted on December 18, 2025 the IESO has decided <u>not to include</u> optional termination as part of the LLT Contract.</p>

Feedback / Common Themes	IESO Response
<p>The minimum duration requirement should be increased to ten (10) hours for LDES resources:</p> <ul style="list-style-type: none"> • Better outcomes can be enabled by having a higher duration threshold nearer-term rather than trying to adjust in the future at increased cost profiles. • An increase would provide better alignment with the eight (8) to twelve (12) minimum duration need indicated by the IESO and global best practices in California and Australia. 	<p>The IESO is not contemplating increasing the minimum duration requirement beyond eight (8) hours for the LLT(c) RFP.</p> <p>To incentivize resources to provide longer durations, the IESO is proposing to award rated criteria points to projects that can continuously offer their Contract Capacity for more than the minimum eight (8) hours of continuous energy.</p> <p>The number of rated criteria points is still being determined, however the rated criteria category for continuous duration will consist of two tiers, with the first tier awarding points to a project that can continuously provide energy for 10+ hours, and a second higher tier awarding a greater amount of points to a project that can continuously provide energy for 12+ hours.</p>
<p>The IESO should consider allowing Proponents to submit multiple price-duration bids:</p> <ul style="list-style-type: none"> • Bids at different durations (e.g., 8, 10, 12 hours) would give the IESO flexibility to select the most cost-effective option based on future system needs. 	<p>The IESO intends to incentivize durations of 10 hours or more through rated criteria points and is not considering the use of multiple price-duration bids as a part of Proposals.</p> <p>The inclusion of rated criteria points for longer durations will allow Proponents to propose the most cost-effective duration for their project considering project costs and the resulting reduction to Evaluated Proposal Price.</p>

Feedback / Common Themes	IESO Response
<p>The procurement target for the LLT(c) RFP should be increased to at least 1000MW:</p> <ul style="list-style-type: none"> An increase would increase competition as projects can be built to as-scale and allow for both smaller and larger resources to be procured. 	<p>The procurement target for the LLT(c) RFP will be set by government direction.</p> <p>However, at this time the IESO expects a procurement target of 800 MW for the LLT(c) RFP with the intention of balancing system needs and competition.</p>
<p>Suppliers should be eligible to take Mid-Term Extended Outages as multiple outages that add up to a total period of 12 months after year 10 of the LLT Contract.</p>	<p>The IESO is open to providing more flexibility to the usage of Mid-Term Extended Outages but requires more information from stakeholders to inform its decision. As presented during the December 18, 2025 Stakeholder Engagement Webinar Stakeholders are encouraged to submit feedback on the nature of work that will be performed during these outages, how these outages differ from other planned outages, and outage requirements over the term with project specific schedules.</p>
<p>Regulation readiness should be a mandatory requirement for projects under the LLT(e) RFP that are >20 MW and should not be used as rated criteria.</p>	<p>The IESO is currently evaluating its approach to regulation readiness and will be bringing forth an updated proposal at the January Stakeholder Engagement Webinar.</p>

Feedback / Common Themes	IESO Response
<p>The IESO should provide updated timelines for the LLT RFP and its cadenced Long-Term (i.e. LT2(window 2) RFP, etc.) and Medium-Term Procurements (i.e. MT3 RFP, etc.) to support project planning for prospective Proponents.</p>	<p>The IESO is committed to a cadenced procurement timeline that involves multiple iterations of its medium-term and long-term RFPs. In the coming months, the IESO will be providing stakeholders with updated timelines for subsequent windows of the LT2 RFP, MT3 RFP, and other procurements and programs, to better support project planning. The IESO notes that the LLT RFP is currently structured as a one-window procurement (i.e. no subsequent rounds of the LLT RFP are contemplated at this time); the IESO expects to share updated timelines in early 2026 once formal government policy direction is received.</p>