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**JULY 8, 2026**

**Long-Term 2 (LT2) RFP – Window 2**

# **Community Engagement**

# Territory Acknowledgement

The IESO acknowledges the land we are delivering today's webinar from is the traditional territory of many nations including the Mississaugas of the Credit, the Anishnawbe, the Chippewa, the Haudenosaunee and the Wendat peoples and is now home to many diverse First Nations, Inuit and Métis peoples. We also acknowledge that Toronto is covered by Treaty 13 with the Mississaugas of the Credit First Nation.

As we have attendees from across Ontario, the IESO would also like to acknowledge all of the traditional territories across the province, which includes those of the Algonquin, Anishnawbe, Cree, Oji-Cree, Huron-Wendat, Haudenosaunee and in addition to the Métis and Inuit peoples.

# Shared Commitment to Respectful Participation

To support a focused and constructive discussion:

- We will take questions one at a time; please use the raise-hand feature to enter the speaking queue
- We encourage concise and focused comments to allow time for multiple perspectives
- Participants are encouraged to raise relevant points during the discussion and provide more detailed feedback through the written submission process
- We ask that all participants maintain a respectful and professional tone throughout the session
- Facilitators will guide the discussion and manage participation to stay aligned with today's focus and agenda. Where necessary, we may disable a participant's microphone to manage participation

# Purpose

The purpose of this session is to provide a high-level overview of the results from Window 1 of the Long-Term 2 (LT2) RFP and discuss timelines, and key procurement design changes for Window 2, followed by next steps and an opportunity for Q&A.

# Agenda

Today's engagement will cover the following topics:

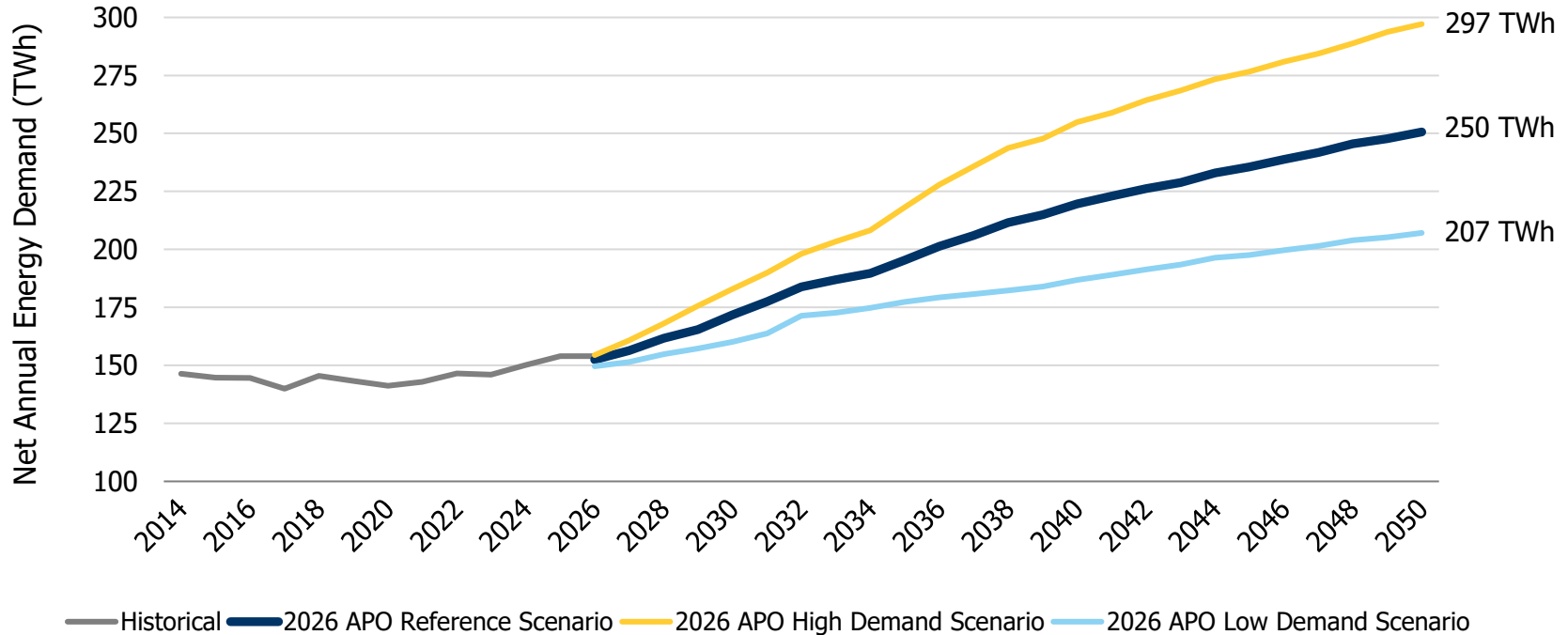
1. Active and Upcoming Procurements
2. LT2 RFP Window 1: Results Overview
3. LT2 RFP Window 2: Key Updates
4. LT2 RFP Window 2: Procurement Timelines
5. Next Steps and Q&A



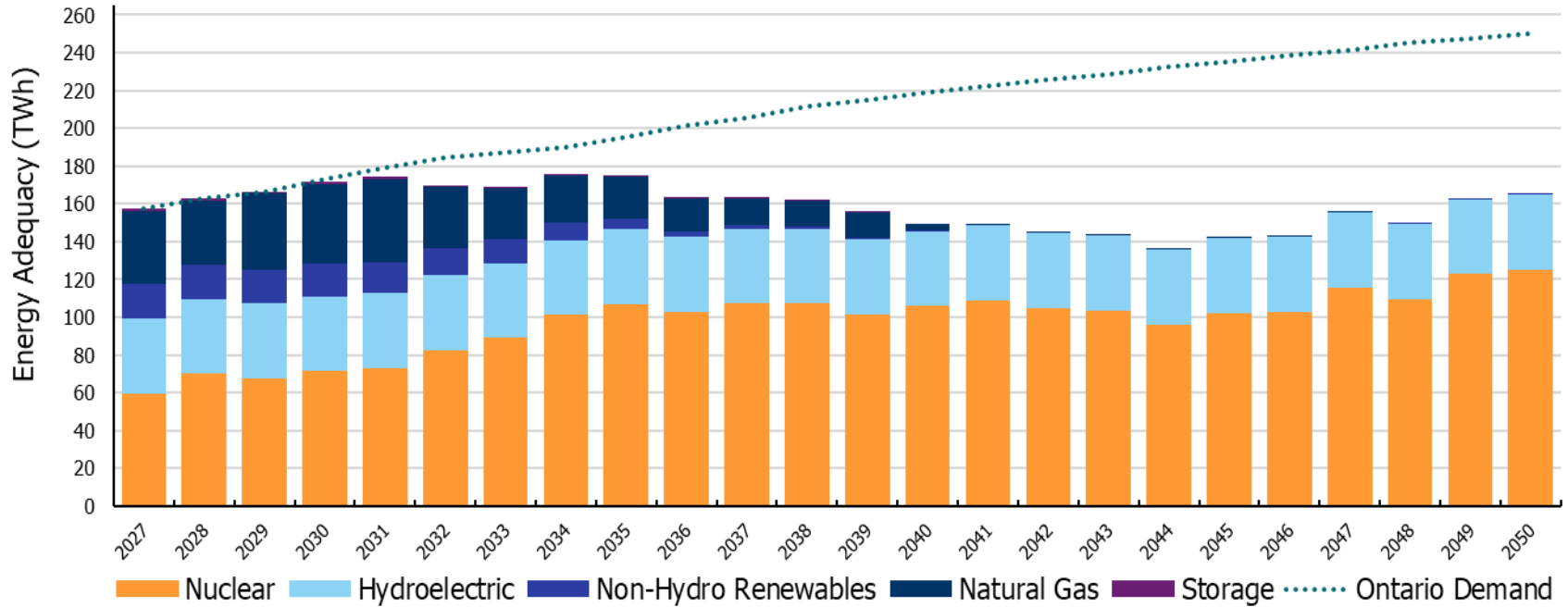
# Active and Upcoming Procurements

**Dave Barreca**, Supervisor, Resource Acquisition, Resource Procurement Design

# Electricity Demand Long-Term Outlook



# Energy Supply



# Active and Upcoming Procurements

Mechanism	Timing / Expected In-Service Date	Key Details
Medium-Term Procurements	<ul style="list-style-type: none"> <li>The MT2 RFP concluded in June 2025; the MT3 RFP will launch in 2027.</li> </ul>	Competitively reacquires existing energy and capacity resources that are either off-contract or with expiring contracts for a 5-year term.
<b>Long-Term Procurements</b>	<ul style="list-style-type: none"> <li>LT2 Window 1 concluded in June 2026;</li> <li>LT2 Window 2 is scheduled to launch in Q1 2027 with facilities in service by May 1<sup>st</sup>, 2032.</li> <li>The Long Lead-Time procurement launched in 2026 with proposals due in November and facilities coming into service by May 1<sup>st</sup>, 2035.</li> </ul>	<p>The LT2 RFP will consist of multiple submission windows, administered across the next 4 years.</p> <p>Competitively acquires <b>new-build</b> and <b>repowered</b> (LT2 Window 2 will be the first window to allow repowering projects) energy and capacity resources for 20-year terms.</p>
Capacity Auction	<ul style="list-style-type: none"> <li>Ongoing.</li> <li>Mostly existing in-service sources of capacity.</li> </ul>	<p>Acquires short-term capacity needs from <b>existing</b> generation and load resources.</p> <p>Executed annually at year-end.</p>
Small Hydro Program	<ul style="list-style-type: none"> <li>Ongoing.</li> <li>Existing resources that are already in service.</li> </ul>	<p>Secures <b>existing</b> hydroelectric facilities less than 10 MW.</p> <p>Program open and accepting applications.</p>
Northern Hydro Program	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Existing resources that are already in service.</li> </ul>	<p>Secures <b>existing</b> hydroelectric facilities more than 10 MW.</p> <p>Program under development.</p>

# Active and Upcoming Procurements (2)

As the Long-Lead Time (LLT) RFP was launched in May, this section provides an overview of how it differs from LT2 RFP and MT3 RFP with a focus on highlighting key distinctions in the contract procurement documents.

## LT2 RFP

- ✓ Procurements underway with contracts awarded for Window 1
- ✓ **Multiple** successive procurement windows
- ✓ Technology agnostic; Window 1 open to New Build resources
- ✓ **4 years or less** project lead time
- ✓ **20-year** contract

## LLT RFP

- ✓ Procurement launched May 2026
- ✓ Currently proposed to be a **single procurement window**
- ✓ New Build Hydro and certain eligible LDES resources
- ✓ **5 years or more** project lead time
- ✓ **40-year** contract

## MT3 RFP

- ✓ Procurement expected to launch Q4 2026/Q1 2027 with proposals due in Q2 2027
- ✓ Competitive procurement for **existing resources**
- ✓ Existing resources to be re-contracted for an additional 5 years
- ✓ **5-year** contract



# LT2 RFP Window 1: Results Overview

**Dave Barreca**, Supervisor, Resource Acquisition, Resource Procurement Design

# Recap: Competitive Procurements to Date

Mechanism	Result (MW)	Resource Types	Commitment
MT1 RFP	<b>757</b>	1 wind facility 4 natural gas facilities	5-year contracts, 3 from 2024-2029, 2 from 2026-2031
E-LT1 RFP	<b>1,177</b>	15 storage projects 2 natural gas facilities	~20-year contracts, starting as early as 2025, ending in 2047 Natural gas contracts end in 2040
LT1 RFP	<b>2,194</b>	10 storage projects 2 natural gas facilities 1 biogas project	~20-year contracts, starting no later than 2028, ending in 2048 Natural gas contracts end in 2040
MT2(e) RFP	<b>995</b>	16 wind facilities 2 landfill gas facilities 1 biomass facilities	5-year contracts, 2 from 2026-2031, 5 from 2027-2032, 4 from 2028-2033, 7 from 2029-2034
MT2(c) RFP	<b>2,006</b>	8 natural gas facilities	5-year contracts, 5 from 2026-2031, 3 from 2029-2034

# LT2(e-1) RFP Results

~4x

Oversubscription of proposals received

3.0 TWh

Target

0.63 TWh

Shortfall

2.37 TWh

Contracted Annual Energy; 12 solar, 1 wind

- One Selected Proponent under the LT2(e-1) did not execute their awarded Contract. As a result, the procurement target was not achieved by approximately 628 GWh.
- The IESO will **increase the procurement target for the second window of the energy stream of the LT2-RFP** to account for the LT2(e-1) RFP shortfall.
- The preliminary procurement target is 1 – 3 TWh. The IESO expects to confirm the final annual energy supply procurement target this summer.

# LT2(c-1) RFP High Level Results

- The IESO **successfully met the 600 MW target** for the LT2(c-1) RFP. Together, these resources will help meet energy needs forecasted to emerge in the early 2030s and beyond.
- The LT2(c-1) RFP achieved robust competition and was 12x oversubscribed. Proposals were submitted for natural gas, bioenergy, combined heat and power and battery energy storage system (BESS) technologies.
- As announced on June 12<sup>th</sup>, the results of the LT2(c-1) RFP are:

3

Contracts awarded  
For BESS

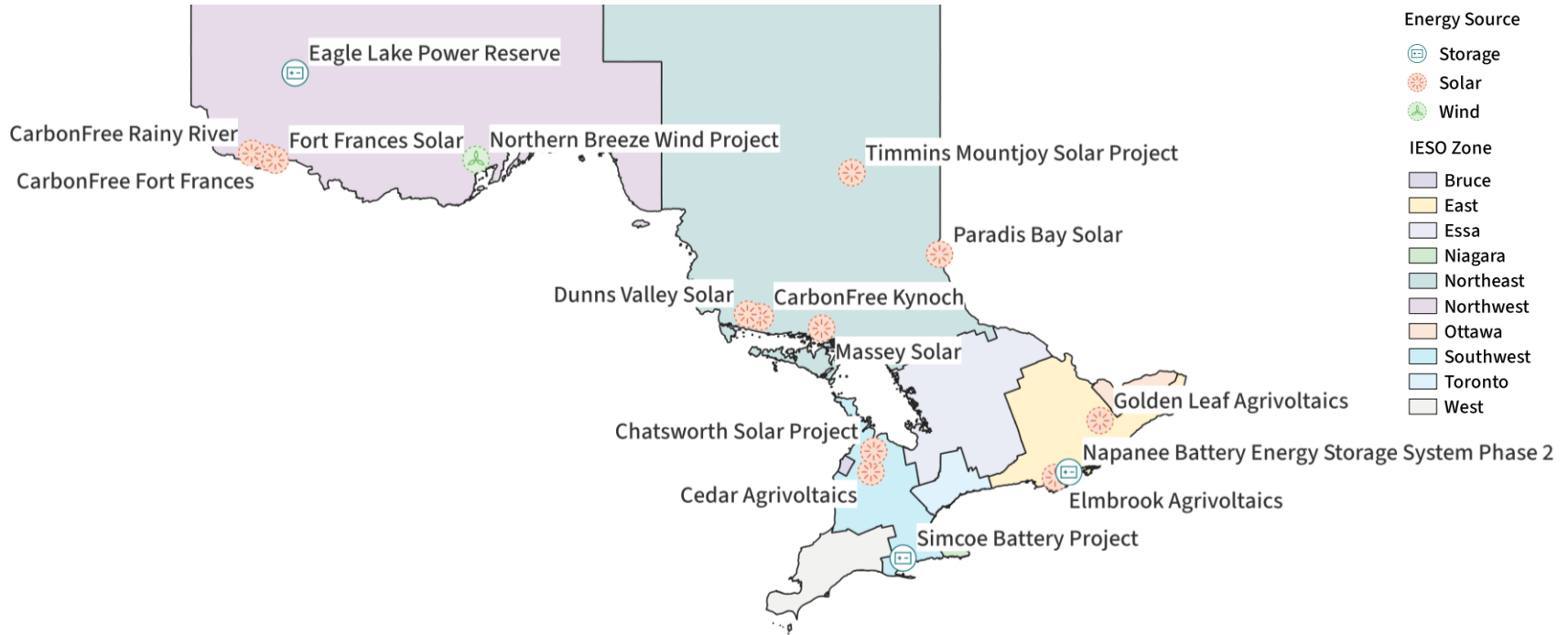
640 MW

Contracted capacity

## Key Insights

- Weighted Average Price: \$563.48/MW Business Day
  - 36% lower than the E-LT1 weighted average price for battery storage facilities.
  - 16% lower than the LT1 weighted average price for battery storage facilities.
- Projects located in the Northwest, Southwest, and East
- All 3 projects have at least 50% Indigenous participation
- All 3 Selected Proponents self-identified as Canadian Status Proponents

# LT2 Window 1 Project Map – Energy and Capacity





## LT2 RFP Window 2: Key Updates

**Nick Topfer**, Senior Advisor, Resource Acquisition, Resource Procurement Design

# Repowering – New Tool for Future Windows

**What is Repowering?** Repowering allows existing generation facilities nearing end-of-life to make the necessary capital investment – whether replacement or targeted modifications – to satisfy the conditions of a new 20-year contract and compete in the LT2 procurements alongside new-build projects.

## Eligibility

- Facility must be >1 MW in capacity
- Facility must have completed a 20-year contract with the IESO or OEFC, and at least 3 years of a Medium Term Contract; or in service for equivalent amount of time (23 years)
- Was not permitted under LT2 Window 1 – proposed to be introduced for Window 2 and beyond

## What Repowering can involve

- Full teardown and rebuild of the facility on the same site
- Replacement or upgrade of key components (e.g. turbines, panels, inverters) such that the facility can operate for a further 20-years
- Modifications to increase capacity and/or energy output

## Why it matters going forward

- New-build sites are becoming increasingly scarce as connection capacity fills and siting restrictions tighten
- Repowering leverages existing community relationships and grid connections at established sites
- Modern technology can deliver more capacity/energy from the same or smaller footprint

# Additional Open Policy Items

*The IESO is currently in the process of engaging with government on the following challenges for existing facilities seeking to repower.*

1

## **Prime Agricultural Area Restriction for Ground Mount Solar Projects**

There are currently no existing ground mount solar projects that are eligible to repower under LT2 Window 2. However, in respect of future LT2 windows, as existing solar facilities begin reaching end of life, a barrier to repowering for many of them will be the fact that their project sites may already be located in Prime Agricultural Areas.

2

## **AIA Part I – Requirement to Demonstrate Evaluation of Alternate Sites**

Based on the current LT2 directive, any LT2 proposed project (other than ground mount solar) that is sited in a Prime Agricultural Area must first demonstrate having evaluated alternative sites. This requirement may not be feasible for existing wind, rooftop solar and biomass facilities looking to repower, as their project site is fixed.

3

## **Mandatory Requirement for Municipal Support**

While the IESO understands that obtaining municipal support for some existing resources may be challenging, the IESO is not anticipating any changes to the mandatory requirement for municipal support for all LT2 Window 2 proposals, including repowering projects.

# Eligibility

## PATH A

### Existing Contract Holders

- Existing facility > 1MW in nameplate capacity
- Previously completed 20-year IESO/OPA/OEFC contract (or multiple contracts totaling 20 years)
- Currently has a Medium-Term Contract
- Will have completed a minimum of 3 years of their Medium-Term Contract as of May 1<sup>st</sup>, 2032

**Rationale:** Ensures existing facilities that have already opted for life extension via Medium Term Contracts fulfil a meaningful portion of their commitment before being eligible for a new LT contract.

## PATH B

### Alternate Path for Legacy Facilities

- Existing facility > 1MW in nameplate capacity
- Does not currently have a Medium-Term Contract
- Facility will have been in service for a minimum of 23 years as of May 1<sup>st</sup>, 2032

**Rationale:** Provides an additional eligibility pathway for existing facilities that do not currently have an Medium Term Contract, but whose age is comparable to those transitioning from Medium Term Contracts.

# Definition

Broad definition retained – no prescriptive equipment criteria.

- Stakeholder feedback indicated strong support for the broad repowering definition proposed in the previous LT2 engagement session. The IESO will not introduce prescriptive equipment replacement criteria.
- Proponents will specify contract capacity and imputed production factors as part of proposal submission and the existing LT2 contract obligations will act at the primary guardrail to ensure the repowered facility performs as expected.

## ADDITIONAL GUARD RAILS:

### Independent Engineer Certification

- Standard requirement for declaration of COD.
- Additional clause added for repowering projects that sufficient work has been completed on the previously existing facility such that it is reasonable to assume at least an additional 20-year useful life for the repowered facility.

### Performance Security – Under Review

- Previously proposed that performance security would **NOT** be reduced from completion security for repowering projects.
- Stakeholders were largely opposed to this proposal.
- Under further consideration from the IESO

# Locational Rated Criteria

- As per the current Ministerial Directive, Window 1 of the LT2 RFP offered locational rated criteria points to proposals for projects sited in Northern Ontario, providing a competitive advantage by reducing the evaluated proposal price in evaluation.
- Locational rated criteria proved highly effective in LT2 Window 1, with contracted projects consuming a significant portion of available connection capacity in the North.
- The IESO is actively exploring options to enable additional capacity in the North for Window 2 and future LT2 RFP windows, with planned amounts and timelines to be communicated through Deliverability Guidance for LT2 Window 2 and future engagements.

## Locational Rated Criteria (2)

- The IESO is also considering the use of locational rated criteria to encourage strategically sited new-build projects on circuits with available transmission capacity or on circuits where a local system benefit has been identified in an IESO regional or bulk plan.
  - (i.e., increased thermal ratings, improved voltage stability, transmission investment deferral).
- Projects located in areas where a local system benefit has been identified may also provide interim deliverability benefits and support near-term system needs without requiring transmission upgrades.
- Additional details on locational rated criteria, along with other potential rated criteria categories under Window 2 of the LT2 RFP, will be shared by the IESO in the coming months.

# Domestic Content Requirements

- The IESO anticipates that Window 2 will likely include domestic content provisions intended to encourage Proponents to source materials and labour from Canada, and similar to those introduced under the Long Lead Time RFP (LLT RFP).
- Under the LLT RFP, proponents are required to submit a Supply Chain Disclosure Plan, which sets out the goods and services that meet certain requirements in connection with being sourced from Canada, as part of their proposals. The Proponents also have an option to commit to a certain percentage of their capital costs as being goods and services meeting certain requirements for being sourced from Canada, which entitles them to a reduction of up to 3% (depending on the level of commitment) in the proposal price that is used for the purposes of evaluation.
- In the coming months, the IESO will engage with government to determine the domestic content approach for LT2 Window 2, recognizing that key solar, wind and BESS components are typically manufactured outside Canada. Stakeholders are encouraged to review and provide feedback on the domestic content provisions in the [LLT RFP Ministerial Directive](#)



# LT2 RFP Window 2: Procurement Timelines

**Nick Topfer**, Senior Advisor, Resource Acquisition, Resource Procurement Design

# Procurement Timelines

- IESO is currently developing timelines for Window 2 of the LT2 RFP.
- IESO will provide its final deliverability guidance after results are announced for the LLT RFP.
- To better inform their project siting decisions, stakeholders have asked for the proposal submission deadline to be a minimum of 6 months after deliverability guidance has been published.
- While the IESO is targeting this timeframe as the proposal submission deadline for Window 2, other considerations include timing of the MT3 RFP.
- Proposal submission for the LT2(c-2) RFP is expected to occur after conclusion of the Long Lead-Time RFP and in quick succession after the deadline for the LT2(e-2) RFP.

# Procurement Timelines

- Procurement timelines are under development and will need to be coordinated with activities related to the MT3 RFP and LLT RFP.



## On-going engagement

The timelines presented above are approximate and are subject to change pending policy direction from the Ministry, and when final RFPs and Contracts are posted.

# Procurement Timelines (2)

**LLT RFP  
Contracts  
Awarded  
(no later than  
May 2027)**

Final  
Deliverability  
Guidance  
(by July 2027)

LT2 Window 2  
Proposal Submission  
(Q2/Q3 2027)

LT2 Window 2  
Contract Award  
(Q1 2028)

Milestone Commercial  
Operation Date for LT2  
Window 2  
(2032)



The timelines presented above are approximate and are subject to change pending policy direction from the Ministry, and when final RFPs and Contracts are posted.



# Next Steps and Q&A

# Next Steps

- The IESO invites community feedback on the materials presented today by **July 22, 2026**
- All written feedback should be submitted to [engagement@ieso.ca](mailto:engagement@ieso.ca) utilizing the IESO Feedback Form posted on the engagement webpage
- If you have any questions regarding the LT2 RFP, please send them to [LT2.RFP@ieso.ca](mailto:LT2.RFP@ieso.ca)



# Breakout Sessions

## Municipal and Indigenous Q&A

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# Thank You

[ieso.ca](http://ieso.ca)

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[engagement@ieso.ca](mailto:engagement@ieso.ca)



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# Municipal Breakout – Q&A

# The Important Role of Municipalities

Municipalities are key partners in Ontario's energy future and local decisions play a critical role in shaping the province's electricity system.

Municipal governments determine whether they are willing hosts for new supply resources and oversee local development approvals, and are therefore essential to securing the energy resources needed to meet Ontario's growing electricity needs.

Your input and feedback has informed the process:

- ✓ Streamlined the Municipal Support Confirmation (MSC) process, empowering municipal decision-making.
- ✓ Collaborated with partners to develop asked-for resources such as the municipal guide, the sample pre-engagement confirmation notice, the Agricultural Impact Assessment Q&A document.
- ✓ Continued to engage with municipalities through conferences, webinars and one-on-one engagement.

The IESO is committed to continuing our engagement with municipalities as work progresses, and we welcome your feedback and involvement in these important matters.

# Municipal Election Considerations

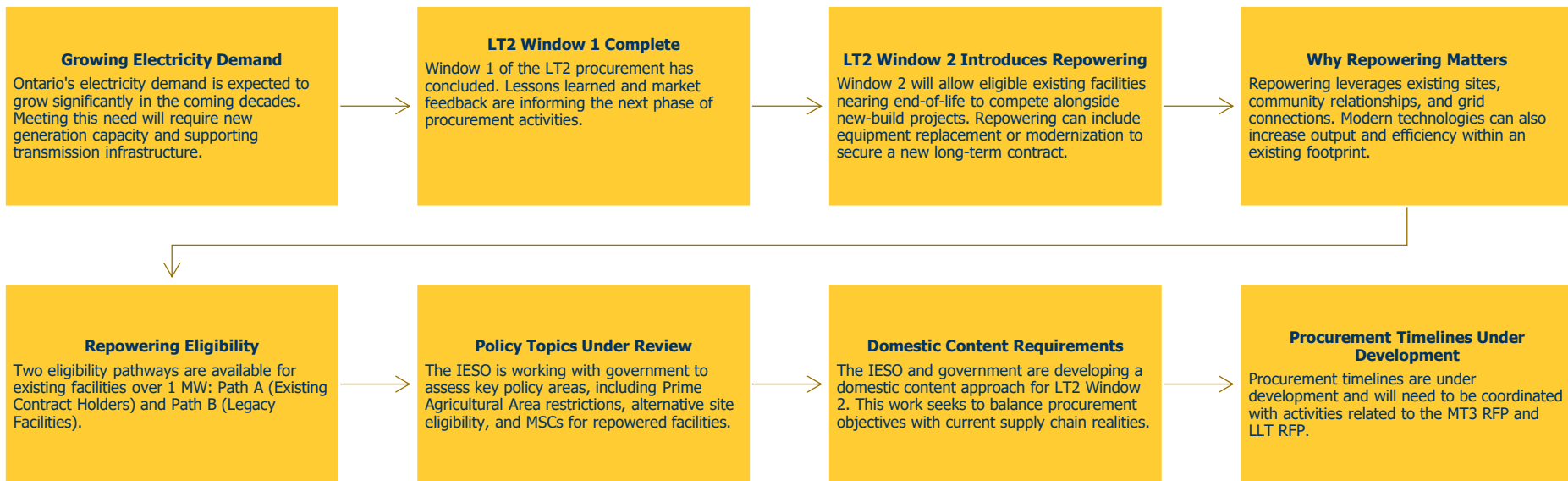
- The IESO continues to encourage Proponents to engage early with municipalities.
  - Proponents remain responsible for coordinating with the Local Municipality to understand any implications of the 2026 Municipal election and to ensure that the Municipal Support Confirmation is obtained prior to Proposal submission.
  - For LT2 Window 2, the final RFP and contracts are expected in Q1 2027. Municipalities may be approached by proponents before this date, with broader outreach expected following the launch of the procurement.
- Municipal Support Confirmations verify that engagement meets municipal expectations and that the Local Municipality supports the submission of the Proposal to the IESO.
- The IESO remains committed to supporting municipalities leading up to, and post-election.

# List of Organizations

The following government organizations (and others) play an oversight role to ensure projects are safe and appropriately sited:

<b>Ministry of Environment Conservation and Parks</b>	Provides guidance on environmental approval requirements and enforces compliance with environmental law. For general inquires, contact: <a href="mailto:enviropemissions@ontario.ca">enviropemissions@ontario.ca</a> . For questions related to Renewable Energy Approvals, contact: <a href="mailto:REAprogramdelivery@ontario.ca">REAprogramdelivery@ontario.ca</a>
<b>Ministry of Municipal Affairs and Housing</b>	Responsible for the <i>Planning Act</i> , which sets Ontario's land-use planning legislative framework, and the Provincial Policy Statement, which provides province-wide policy direction on land-use interests, contact: <a href="mailto:PlanningConsultation@ontario.ca">PlanningConsultation@ontario.ca</a>
<b>Ministry of Agriculture, Food and Agribusiness</b>	Provides technical guidance on Agricultural Impact Assessments. For general inquires, contact: <a href="mailto:ag.info.omafa@ontario.ca">ag.info.omafa@ontario.ca</a>
<b>Ministry of Natural Resources</b>	Responsible for managing Ontario's public lands. For general inquires, contact: <a href="mailto:MNRFRenewableEnergySupport@ontario.ca">MNRFRenewableEnergySupport@ontario.ca</a>

# Key Themes of LT2 Window 2





# Municipal Q&A



# Indigenous Communities – Q&A



# The Important Role of Indigenous Communities

First Nation and Métis communities are essential partners in meeting Ontario's future energy needs.



Indigenous Communities determine if their community will **host electricity projects**



**Ongoing engagement is critical** to ensuring a reliable and sustainable energy future



To promote Indigenous leadership and participation in the energy sector and advance economic reconciliation, the LLT RFP includes rated criteria – similar to the LT2 RFP – that incentivizes Proponents to form **economic partnerships with Indigenous Communities**

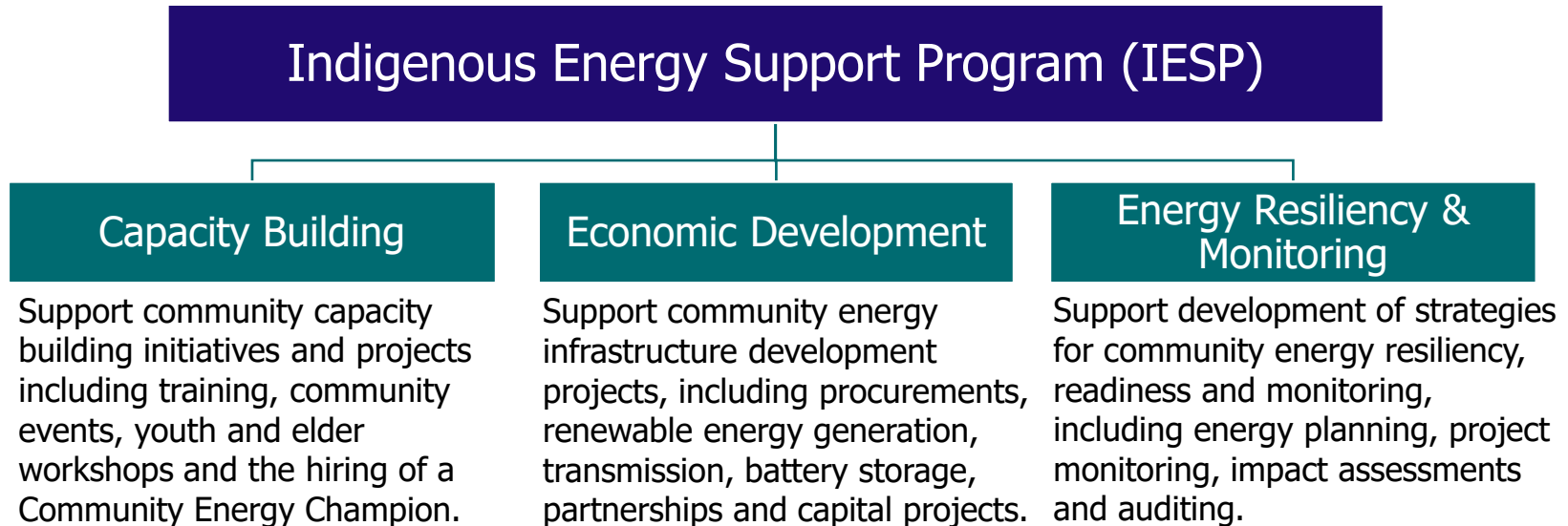
# Indigenous Energy Support Program Overview

The Indigenous Energy Support Program (IESP) promotes broad equitable participation in Ontario's energy sector by supporting community capacity building. Funding is available to eligible Indigenous communities and organizations across Ontario for:

- Community energy planning
- Energy skills-building, education and awareness
- Hiring of a Community Energy Champion (CEC)
- Energy infrastructure development

# IESP Areas of Funding

The IESP provides support through three Areas of Funding (AOF).



# IESP Maximum Funding Amounts

Area of Funding	Capacity Building	Economic Development	Energy Resiliency & Monitoring
Maximum Funding Amount	<b><u>Part A:</u> Up to \$195,000</b>	<b>Up to \$250,000</b>	<b>Up to \$135,000</b>
	<b><u>Part B:</u> Up to \$150,000</b>	<b>Up to \$500,000* (Remote Projects Development)</b>	

*\*Funding support for eligible expenses associated with supporting diesel reduction initiatives in **Identified Remote First Nations Communities**\**

# IESP Project Types

Capacity Building (Part A) Up to \$195,000	Capacity Building (Part B) Up to \$150,000	Economic Development Up to \$250,000*	Energy Resiliency & Monitoring Up to \$135,000
<b>CEC Salary</b> Up to \$165,000 for 3 years	<b>Community Energy Engagement</b> Up to \$75,000	<b>Feasibility Study</b> Up to \$50,000	<b>New Community Energy Plan</b> Up to \$135,000
<b>Additional Qualification Top Up (if applicable)</b> Up to \$15,000 for 3 years	<b>Energy Skills Building</b> Up to \$75,000	<b>Partnerships</b> Up to \$85,000	<b>Update Community Energy Plan</b> Up to \$75,000
<b>CEC Expenses</b> Up to \$15,000 for 3 years	<b>Innovative Knowledge &amp; Data Sharing</b> Up to \$60,000	<b>Project Development</b> Up to \$250,000	
		<b>Innovation</b> Up to \$250,000	
		<b>Remote Projects Development</b> Up to \$500,000	

*\*Except for an additional \$500,000 available to **Identified Remote First Nations Communities** under “Remote Projects Development” within the Economic Development Area of Funding*

# Thank You

## STAY INVOLVED

- ✓ Learn more at [www.ieso.ca/learn](http://www.ieso.ca/learn)
- ✓ Subscribe to updates at [IESO.ca/subscribe](http://IESO.ca/subscribe)
- ✓ Download the IESO's Municipal Toolkit
- ✓ Join an engagement

## CONTACT

- ✓ [IndigenousRelations@ieso.ca](mailto:IndigenousRelations@ieso.ca)
- ✓ [CommunityEngagement@ieso.ca](mailto:CommunityEngagement@ieso.ca)

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