
Thank you for joining us for this Discussion Session with Municipalities

Taking Steps to Acquire and Enable Resources to Meet Ontario's Growing
Electricity Needs

We will begin in a few minutes.



Taking Steps to Acquire and Enable Resources to Meet Ontario's Growing Electricity Needs

Discussion with Municipalities

Purpose

- Discuss key design aspects of the Long-Term procurement process and the role of municipalities within the procurement
- In today's session, the IESO is seeking input on the information municipalities may need from the IESO to help support communities throughout the procurement process

Recap: Current Energy Trends

- Demand for electricity is on the rise, trends within Ontario's electricity sector are evolving, the supply mix continues to change, new innovative solutions continue to be introduced, and local solutions are being developed for local challenges
- The IESO will ensure the reliability of our grid while supporting growing needs, including the use of electricity procurements – such as issuing a Requests for Proposals (RFPs) in 2022 to acquire services from new electricity generation and storage facilities

The Long-Term Procurement Process

Long-Term Request for Qualifications (LT RFQ)

- Objective is to ensure that there are interested parties with the capability to develop projects, construct and operate facilities
- RFQ will focus on evaluating proponents based on their technical and/or development capability, experience working with Indigenous communities, and financial wherewithal
- Only qualified proponents under the RFQ will be eligible to participate in the RFP stages

Long-Term Request for Proposals (LT 1 RFP)

- Objective is to solicit proposals from qualified proponents and offer contracts (15-year term) for projects that most competitively meet local and provincial needs
- LT1 RFP will procure 2,500 MW of new capacity for needs arising in the 2025-2027 timeframe
- The IESO is still defining the eligible resources, but it will include resources deployed on greenfield sites or on existing projects – further details will be available in the second half of 2022

Long-Term Expedited Procurement

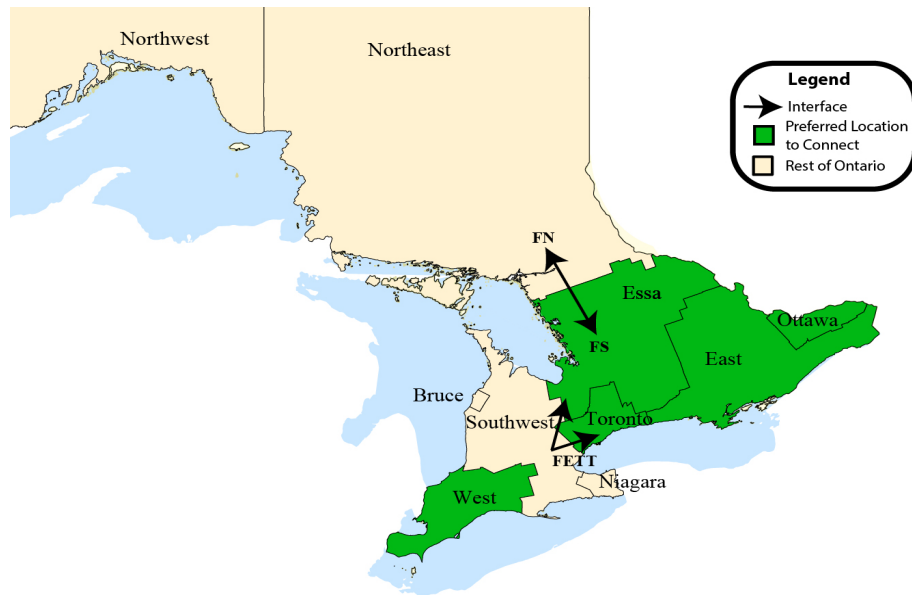
- Objective is to solicit proposals from qualified proponents and offer long-term contracts for projects that most competitively meet local and provincial needs
- Under this process, the IESO will procure resources that can meet needs arising in the 2025 timeframe

Locational Considerations

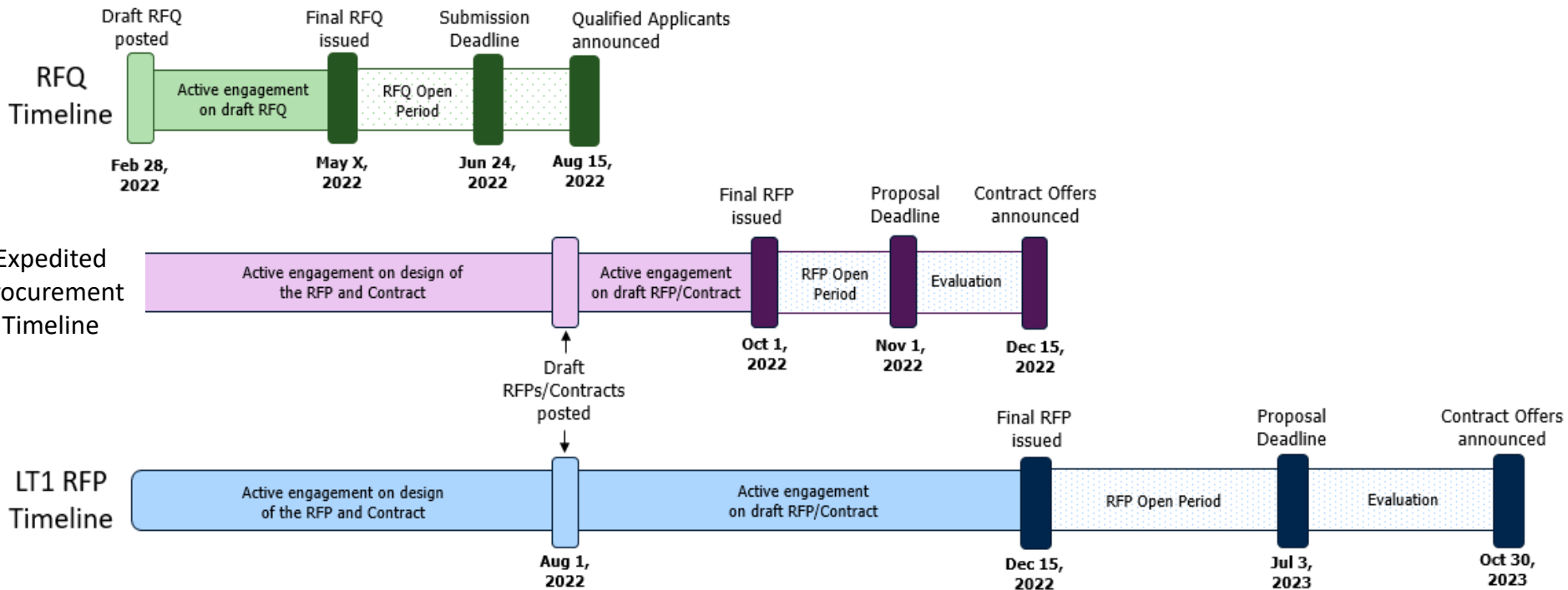
In order to address both province-wide and more localized electricity needs, the LT1 RFP will seek to acquire projects across Ontario

The areas highlighted in green show an illustrative example of locations that may be more highly valued or prioritized under the LT1 RFP

The priority areas will continue to evolve as planning studies and procurement design considerations are updated



LT RFP and Expedited Procurement Timelines*

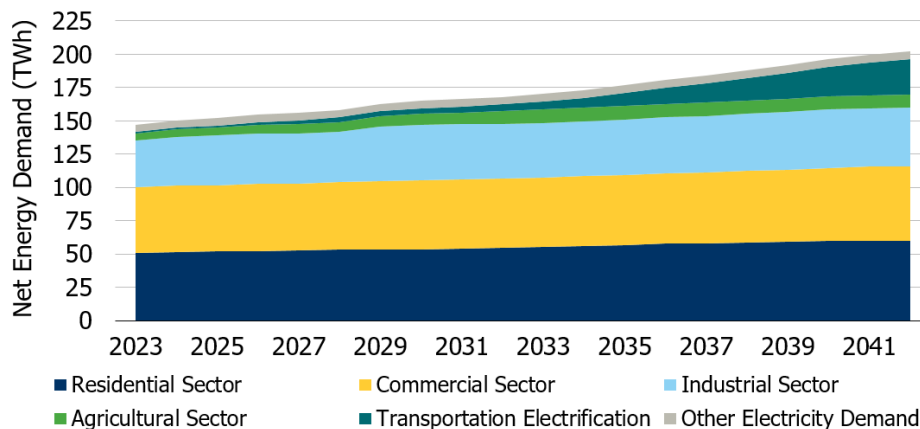


* All future dates are tentative; 2022/2023 timelines not to scale

Discussion: Electricity System Needs and LT RFP Process

1. Do you have any questions related to Ontario's emerging electricity needs?
2. Do you have any questions or require more clarity about the procurement process?

Ontario is entering a time of demand growth





Municipal Engagement

Municipal engagement during the procurement process

- Municipalities will be critical to the success of the procurement as they may be directly involved in the process and could be the host of a new facility
- Over the course of the IESO's long-term procurement process, municipalities can expect to:
 - Receive inquiries from developers about potential site locations
 - Be directly involved in certain approvals process (i.e. siting and permitting)
 - Be informed of community meetings held by project developers
 - Receive inquiries from community members
 - Receive information from the IESO to understand the process, their role, timelines, and opportunities for input in procurement design
- New facilities are required to help maintain the reliability of Ontario's electricity system, and support Ontario's economic prosperity

Municipalities and Proponent Touchpoints

As the LT1 RFP and Expedited Procurements are launched and as they progress, municipalities can expect several touchpoints with proponents throughout the process.

Time Period	Procurement	Potential Touchpoints
April – October 2022 (Pre-Final RFP Release)	Expedited Procurement	Proponents qualified through the RFQ process may choose to conduct early outreach to municipalities in order to build awareness of potential project(s), form relationships where applicable and prepare for the RFP based on draft RFP requirements. These activities may occur prior to final RFP release.
April – December 2022 (Pre-Final RFP Release)	LT1 RFP	
October – November 2022 (RFP Open Period)	Expedited Procurement	During the RFP Open Period, municipalities can expect intensive outreach and communication from proponents. This may take the form of requests for municipal council resolutions or outreach for formal partnership formation (i.e., economic interest).
December 2022 – July 2023 (RFP Open Period)	LT1 RFP	
January 2023 – 2025 and beyond	Expedited Procurement	Successful (contracted) proponents will engage with municipalities as they develop their projects and seek all associated permits and approvals. Once facilities are built, proponents will continue to engage with communities over the life of their facilities.
Fall 2023 – 2025/27 and beyond	LT1 RFP	

Municipal Engagement – Mandatory Requirements

- For the LT1 RFP, the IESO proposes proponents be required to develop and post a **community engagement plan** on a dedicated website and, hold **1 public meeting** with local communities to inform them of their proposed project
- In addition to a mandatory public meeting, the IESO is proposing that **all** projects electing to participate in the **LT Expedited** RFP attain either a **Municipal Council Support Resolution** or an **Indigenous Community Support Resolution**, depending on where the project is proposed. Similar requirements may apply in the LT1 RFP as well.

Rated Criteria

- The LT1 RFP will utilize rated criteria to evaluate proposals by assigning additional points to high-value attributes. The initial rated criteria categories are outlined below. The eventual categories and rated criteria weightings will be informed by engagement with municipalities, Indigenous communities and stakeholders.

Location

There are areas of the province (i.e. West and East of FETT) where resources are most needed

Duration of Service

Additional points to projects able to offer > 4+ consecutive hours of energy

Indigenous Participation

Projects able to demonstrate Indigenous participation (economic interest) will attain rated criteria points



Discussion

Engagement Overview

- In addition to engaging regularly with sector participants, the LT RFP will depend on outreach, engagement, and information sharing to groups and communities outside the energy sector
- Over the coming months, the IESO will provide additional LT1 RFP information to build further awareness, and include opportunities for additional input and engagement

What we've heard so far

- Through engagement discussions in regional electricity planning, municipalities have indicated:
 - The importance of a reliable electricity supply to support economic development planning
 - An understanding that electrification of transportation and building means an increased demand on Ontario's electricity grid
 - Become self-sufficient in energy sources to address goals and priorities related to sustainability and climate change
 - An interest to utilize land holdings for energy investment as income revenue to offset electricity costs

Discussion: What Do Municipalities Need?

4. How can the IESO support municipalities to ensure timelines associated with the procurement process are achieved?
5. What information will municipalities need to support:
 - external inquiries (e.g. from Qualified Proponents)
 - internal decision-making processes (e.g. permitting)
6. What is the best way to deliver this information to you or your community?

Discussion: Roles and Responsibilities

7. What are some of the barriers/opportunities that proponents may encounter in gaining municipal support?
8. What are some strategies to foster the opportunities and/or reduce barriers?
9. Other questions/comments?

Next Steps

- Feedback can also be submitted via a feedback form by May 10, 2022 to engagement@ieso.ca
- The final LT1 RFQ will be issued in May 2022
- The IESO will continue to engage on topics both noted in this presentation and new items to help further inform the procurement process
- Stay in touch by visiting the dedicated [engagement page](#)

Thank You

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