

# LT RFP Feedback and IESO Response

## LT RFP Information Session for Indigenous Communities – April 12 & 19, 2022

Following these sessions, the IESO invited Indigenous communities to provide comments and feedback.

Feedback was received from:

- Atikameksheng Anishnawbek
- Minodahmun Development
- Six Nations of the Grand River Development Corporation
- Temagami First Nation/Communities of the Montreal River Power Corp.

The presentation materials and stakeholder feedback submissions have been posted on the IESO webpage for the LT RFP municipal and Indigenous communities engagement. Please reference the material for specific feedback as the below information provides excerpts and/or a summary only

### **Topic 1: Indigenous participation concepts in LT RFP**

#### **1.1 Indigenous Participation**

##### **Feedback**

- Tight timeframes will not allow for Indigenous participation or will make it very difficult.
- IESO should facilitate Indigenous participation in RFQ, not just RFP to ensure participation
- It is preferable that proponents have prior experience working with Indigenous communities

## **IESO Response**

The LT1 RFP and Expedited Process have been designed to meet electricity system needs emerging in 2025, which include increased demand, the retirement of Pickering Nuclear Generating Station and expiring contracts. Given the immediacy of those needs, two procurements, the Expedited Process and LT1 RFP must be executed in relatively rapid fashion. The timeframes for LT1 RFP and Expedited Process will need to allow for projects to come online in a timely fashion in order to meet those emerging needs. While the IESO is advancing quickly with both procurements, it is committed to ensuring that they include engagement and participation opportunities for Indigenous communities. Engagement and feedback opportunities on the proposed design are ongoing and a revised proposal will be shared for comment at the next community engagement session in July.

The IESO is continuing to consider options to encourage meaningful engagement and/or partnership formation with Indigenous communities as part of the final Expedited Process design, recognizing the tight timelines in the Expedited Process. Further information around the outcome of these considerations will be communicated when available.

For LT1 RFP, the RFQ will be the stage to qualify applicants and the RFP will identify individual projects. Indigenous communities can seek to qualify as an RFQ Applicant or through a partnership with another entity. Overall, the RFQ requires all Applicants to provide evidence of their experience in developing projects, which includes demonstrable experience in community and municipal engagement, obtaining site access, obtaining regulatory and environmental approvals and other permits necessary for construction of an electricity resource. This includes experience fulfilling duty to consult obligations. As the RFQ phase will pre-qualify applicants, not individual projects, there will continue to be opportunity for partnerships and engagement with Indigenous communities in the coming months.

For LT1 RFP, the longer timelines will allow for opportunities for Indigenous participation prior to the submission of proposals during the RFP stage. LT1 RFP will incentivize participation via Rated Criteria, in addition to mandatory requirements for Indigenous engagement.

As noted above, the IESO is continuing to consider options to encourage meaningful engagement and/or partnership formation with Indigenous communities as part of the final RFP design.

## **1.2 Indigenous Support Resolution**

### **Feedback**

Engagement participant wrote in favour of Indigenous Support Resolution concept and points for projects that have Indigenous participation.

### **IESO Response**

The IESO continues to develop the Indigenous participation component of the LT RFP and notes the support voiced for the Indigenous Support Resolution concept and points for projects that have Indigenous participation.

Engagement and feedback opportunities on the proposed design are ongoing and a revised proposal will be shared for comment at the next community engagement session in July.

## **1.3 Price Adder**

### **Feedback**

Engagement participant supports a price adder mechanism to encourage Indigenous participation.

### **IESO Response**

The IESO is exploring mechanisms for Indigenous participation in LT RFP and notes the support voiced for a price adder mechanism.

Engagement and feedback opportunities on the proposed design are ongoing and a revised proposal will be shared for comment at the next community engagement session in July.

## **1.4 Rated Criteria Points**

### **Feedback**

Projects that have an Indigenous interest greater than 50% should receive more rated criteria points. IESO should give Indigenous proponents and JVs points/preference in RFQ stage based on extent of Indigenous participation in the bidding entity.

### **IESO Response**

The IESO is exploring mechanisms for Indigenous participation in LT1 RFP and is proposing that those projects able to demonstrate economic interest by Indigenous communities that is greater than 50%, receive the most Rated Criteria points. The IESO welcomes feedback on the proposed Rated Criteria:

<b>Rated Criteria Points available</b>	<b>Indigenous Community Participation</b>
6 points	An Indigenous Community has 50% or more economic interest in the project
3 points	An Indigenous Community has 25% or more, but less than 50% economic interest in the project
1 point	An Indigenous Community has 10% or more, but less than 25% economic interest in the project
0 points	All other Proposed Facilities

The IESO is continuing to consider options to encourage meaningful engagement and/or partnership formation with Indigenous communities as part of the final Expedited Process RFP design.

The IESO appreciates feedback on the LT1 RFQ. The IESO agrees with the importance of Indigenous participation in Ontario infrastructure projects, and is seeking to reflect this through the RFP rather than the RFQ, which is solely focused on qualifying applicants – not specific projects.

## **1.4 Additional Feedback on Indigenous Participation**

### **Feedback**

Change definition of Small-Scale LT1 Project from "equal to or above 1 MW but less than 5 MW" to "equal to or above 1 MW but less than 11 MW" in order to allow for more projects located in northern Ontario

### **IESO Response**

The LT1 RFQ provides a number of mechanisms under which Applicants can qualify for the development of both Large-Scale LT1 Projects and Small-Scale LT1 Projects. The IESO is not considering region specific size thresholds to the qualifying thresholds as this adds additional complexity to the process. For those applicants with experience with Qualifying Small-Scale Projects who seek to develop projects with a nameplate capacity greater than 5 MW (Large-Scale LT1 Projects), they may do so by meeting the requirements laid out in section 3.4 of the LT1 RFQ.

The LT1 RFQ was published and put into effect on June 3, 2022. The IESO is awaiting applications until June 30. The final size thresholds in which to qualify as a small scale applicant (1 to 5 MW) or large scale applicant (>5 and up to 600 MW) are included in the final LT1 RFQ.

## **Topic 2: LT RFP Engagement Process**

### **2.1 Communications**

#### **Feedback**

Ensure that the chief of the community receives communications regarding LT RFP in addition to administrative staff

#### **IESO Response**

The IESO notes this recommendation and will continue including the chief of a community in its communications regarding LT1 RFP.

## **Topic 3: Additional issues informing Indigenous participation in LT RFP**

#### **Feedback**

- IESO should consider projects that were previously cancelled
- Indigenous communities need funding to participate in procurements and industry partners
- There is a need for more training to facilitate employment participation by Indigenous people
- Indigenous communities need funding to participate in procurements and industry partners

#### **IESO Response**

For LT1 RFP takes a technology agnostic approach to eligibility. If there are projects that were previously proposed but cancelled, they may still be eligible to participate in the LT1 RFP and/or Expedited Process, should they satisfy the mandatory requirements.

The IESO administers the Indigenous Energy Support Programs which promote participation in Ontario's energy sector by supporting community capacity building, community energy planning and renewable energy project development and partnerships. Further information can be found on the [IESO Funding Programs page](#). The IESO will also be initiating a re-design of these programs for launch in 2023. Further information will be shared when the engagement on the redesign officially launches.

The IESO is also exploring hosting webinars and sharing information about funding partners that could be accessed by Indigenous communities to support equity participation in projects. Further information will be shared when these webinars and/or information is available.