

Long-Term RFP Feedback and IESO Response

Long-Term RFP Information Session for Municipalities – July 14, 2022

Following the Long-Term Request for Proposals (LT RFP) Community Engagement Municipal Breakout discussion held virtually on July 14, 2022, the Independent Electricity System Operator (IESO) invited feedback on the presentation materials and how the IESO can support municipalities in this initiative. The presentation materials and a recording of the sessions are available on the dedicated [Community Engagement webpage](#).

Summary

This document provides a summary of the key themes that emerged from feedback received along with IESO responses to the feedback. The IESO appreciates all of the input, which will be considered in the next stages of the procurement process development.

Written feedback was received from the following parties and posted on the Long-Term RFP [Community Engagement webpage](#):

- [Municipality of Chatham-Kent](#)
- [Municipality of Lakeshore](#)
- [Town of Caledon](#)
- [Town of Iroquois Falls](#)
- [Town of Tillsonburg](#)
- [Wind Concerns Ontario](#)

Theme 1- Design of Communication and Guidance Materials

Feedback: Municipalities would benefit from summary materials (i.e. cheat sheet) that describes the applicable legislation, approvals, and restrictions for each type of generation project eligible under the LT1 RFP and Expedited Process. Further information is also requested about the implications of the procurement on other municipal areas of responsibilities such as land use planning, environmental regulations, and taxation.

IESO Response: The IESO acknowledges the benefits of equipping municipalities with the necessary information to support the local approval processes related to the long-term procurement

process. We are working internally and with government to determine if content can be developed to support municipalities.

Municipalities can also contact Ontario's Ministry of Municipal Affairs and Housing (MMAH) [regional Municipal Services Offices](#) for further technical and regulatory support, or [MMAH](#) directly for more general information.

Feedback: Municipalities are requesting regular communication at key milestones in the procurement process, and as projects are developed. This type of proactive communication approach is helpful in enabling municipal staff to address procurement related requests from proponents, and others in a timely and appropriate manner.

IESO Response: The IESO is committed to making the most up-to-date information about the procurement publically available. The current procurement timeline is available on the IESO website [here](#).

Community engagement activities are also taking place at key points in the process. The next virtual engagement session is being planned for late September 2022. Additionally, interested parties can email questions and comments to lt.rfp@ieso.ca and sign up for future communications via engagement@ieso.ca.

Feedback: Information should be distilled and presented using non-technical terminology that can be understood by a broad audience. Information shared with municipalities should focus on topics relevant to local governments and their constituents, helping to promote local benefits and minimize the local issues. The information could be used to inform constituents of relevant project details and timing and to address and allay concerns throughout the approval process.

IESO Response: The IESO greatly appreciates this feedback. This targeted engagement focused on communities – both municipal and Indigenous –has been tailored to address community audiences. It is the IESO's goal to tailor information that is relevant and clear so that this audience is equipped to engage in a meaningful way and contribute feedback effectively. Please continue to provide input or ask questions about the information presented so that the IESO can engage in a way that meets the needs of the communities to best inform a successful implementation of this procurement initiative.

Feedback: Targeted information and engagement sessions should be developed specifically for elected officials to raise awareness of the procurement process and possible local implications/impacts. It would be very helpful for the IESO to clearly articulate where the municipal council resolution requirements fit within the larger approval process so municipalities can communicate this to relevant parties such as proponents, municipal councils and the public.

IESO Response: The IESO appreciates the feedback and will consider how to best incorporate it into future communication materials being prepared to support municipal discussions - particularly following the October 2022 election.

The IESO recently developed resources to help municipal leaders and other representatives learn more about the electricity sector and the changing electricity system needs. The [Electricity Toolkit for Municipalities](#) will continue to provide resources to help inform municipalities about Ontario's electricity system and their role in maintaining a reliable system to meet Ontario's future needs. Information is also focused on how municipalities can manage their energy priorities to support local discussions with Council and constituents. Feedback and enquiries will help to inform future topics – please submit your feedback on key areas of interest for municipalities to communityengagement@ieso.ca.

The IESO has also been participating in various municipal conferences taking place across the province (e.g., Ontario Municipal Administrators' Association workshops, Association of Municipalities of Ontario conference etc.). Through presentations, meetings, and interactions with elected officials and municipal staff, the IESO has been raising awareness about the need for new electricity supply, seeking input on the procurement design and discussing the role of municipalities in the procurement process. Outreach and engagement will be ongoing to keep communities informed and provide opportunities for input.

Theme 2- Design of Municipal Support Resolutions

Feedback: Municipalities expressed support for Municipal Council Support Resolutions. These resolutions provide an opportunity for communities to understand and evaluate projects and to discuss their impacts/benefits. Support resolutions can be outside the standard bureaucratic process, for better or worse, bringing political decision making into mostly bureaucratic processes enabled by delegated authorities (e.g. permitting). The challenges with obtaining voluntary and mandatory support resolution are similar, but there are pros and cons to each approach. For example, obtaining municipal support resolutions in advance allows municipalities to streamline permitting and construction timelines. This is accomplished by clearly defined processes and information filing requirements, dedicated staff and parallel processes reviews.

There is a risk that the limited project detail available in advance is not sufficient to secure a support resolution. Voluntary resolutions allow proponents to proceed Council does not want to, or is not in a position to, provide approval.

IESO Response: The IESO is continuing to seek feedback on this component of the procurement design. The September engagement sessions will provide further opportunity for discussion on this area of the procurement design.

Feedback: A recommendation was provided for the IESO to develop a generic municipal council support resolution. This could be drafted in a way that does not disclose proprietary information yet moves forward the basic premise of procurement.

IESO Response: The IESO will consider this feedback as part of the development of the draft LT1 RFP/Expedited contract design. These draft materials will be made available later this month.

Theme 3- Design of Community Engagement Activities

Feedback: An alternative approach to support resolutions could be to require public engagement through public information sessions, surveys, etc., that follow prescribed timelines to avoid public scrutiny.

IESO Response: The IESO will require that applicable proponents seeking to develop projects in respect of the LT1 RFP and Expedited Process hold at least one public community meeting and inform their local municipality in advance of that meeting. The IESO will continue to consider feedback on this topic as we work to finalize the procurement design and documents.

Feedback: Communities proposed as a host location for a project need to be fully engaged in the procurement process separately from municipal consultation. This will help to mitigate the climate of mistrust from past experience that is acting as a barrier in this new procurement process.

IESO Response: The IESO recognizes the importance of building trust between the proponents and the communities. We are encouraging proponents to reach out to potential host communities as early as possible.

The IESO will require that applicable proponents seeking to develop projects in respect of the LT1 RFP and Expedited Process hold at least one public community meeting and inform their local municipality in advance of that meeting.

Feedback: How does the IESO plan to engage with residents/stakeholders in the “High Demand” areas to ensure that correct and proper information is shared? Is the IESO in support of a “Town Hall” type public engagement session from multiple companies?

IESO Response: The IESO will consider this feedback as we work to finalize the procurement design and contract documents. The IESO will endeavour to provide information that can support community outreach and invites municipalities to contact communityengagement@ieso.ca if you would like additional information to support community events.

Theme 4- Other Information about the Procurement

Feedback: The IESO should consider consulting directly with the local distribution companies (LDC) in areas that are likely to see new generation activity resulting from the LT1-RFP process, particularly those who operate in the priority areas identified by the IESO.

IESO Response: The IESO recognizes the importance of working with LDCs, in particular to support the proposed Deliverability Testing process that will aim to ensure that electricity produced by contracted resources can be delivered where and when it is needed. Qualified Applicants will be required to work with their LDCs as part of the deliverability assessment process. To ensure that LDCs are prepared for this responsibility, LDCs were invited to participate in various engagement webinars throughout the year. Materials from the July session are available on the community engagement [webpage](#). Furthermore, the IESO has and will continue to work together with LDCs and transmitters to ensure processes are aligned and milestones adhered to.

Feedback: Can the IESO clearly define and describe the critical nature of these projects and how important they are to energy transmission in the region and the province?

IESO Response: This procurement process is part of a comprehensive plan to acquire the electricity supply needed to meet provincial demand that is growing at a pace of almost two per cent a year. After years of stable supply, the IESO has moved forward with a series of procurements to secure more than 5,000 MW of capacity. Ontario's electricity system is undergoing a significant transformation, as strong economic development and electrification of transportation are driving up demand and increasing regional needs. At the same time, upcoming retirements and refurbishments in nuclear supply, along with many expiring generation contracts, are contributing to growing electricity requirements emerging later this decade and continuing into the 2030s.

More information, along with a recorded presentation, can be found in the first community engagement session held on April 12, 2022 – see IESO community [engagement webpage](#).

Feedback: The track record of companies in complying with the terms of the approvals for the existing projects with the IESO should be considered in the qualification process.

IESO Response: The RFQ process requires demonstrated proof of both Team Member and Entity experience. The RFQ submission period is now closed and the Qualified Applicants are available on the [IESO website](#).

Feedback: How will new proposals related to projects that are subject to existing IESO contracts affect existing contract commitments?

IESO Response: The LT1 RFP and Expedited Process are focused on procuring capacity from new build facilities that do not have existing IESO contracts. Same technology expansions, another stream of the IESO's [resource adequacy framework](#), will receive new contracts for the expansion portion of the facility but will not influence existing facility contracts.