JANUARY 17, 2024

Part II: Energy Webinar #2

Discussion with Indigenous Communities

Thank you for joining today's session

Please keep your cameras off and microphones muted until the Q&A portion



Agenda

- 1. Recap the role of Indigenous communities in meeting Ontario's electricity needs
- 2. Recap the Transmitter Selection Framework Process
 - Address any questions and understand feedback
- 3. Recap the Long-Term 2 Request for Proposals (LT2 RFP)
 - Address any questions and understand feedback
- 4. Discuss next steps



Context



This is a pivotal point for the electricity system. Ontario is entering a period of growing needs – by 2050, energy consumption could double.



This growth is driven by economic growth, population growth and increased electrification.



Indigenous communities and municipalities have an integral role in Ontario's energy transition.



Your continued engagement is critical to help acquire the supply needed through competitive frameworks to prepare the electricity system for the expected growth and the elimination of emissions from the grid.



Steps to Meet the Emerging Needs

To keep pace with Ontario's economic and population growth, elimination of emissions from the grid, and electrification, the IESO is supporting multiple initiatives to meet emerging system needs, including the following initiatives:



Launching **new Long-Term 2 Request for Proposals (LT2 RFP) for non-emitting resources**, as part of the IESO's Resource Adequacy Framework; and



Developing a **competitive transmitter selection framework** to support new transmission development and provide new opportunities to communities and transmitters.



Transmitter Selection Framework

Stephen Lachan, Resource Acquisition



Transmitter Selection Framework

To meet Ontario's growing needs, developing a competitive transmitter selection framework to support new transmission development and provide new opportunities to communities and transmitters will be required.

Key details include:



The Minister of Energy <u>asked</u> the IESO to **develop a transparent**, **competitive and well-understood process for selecting transmitters**, and to report back in summer 2024.



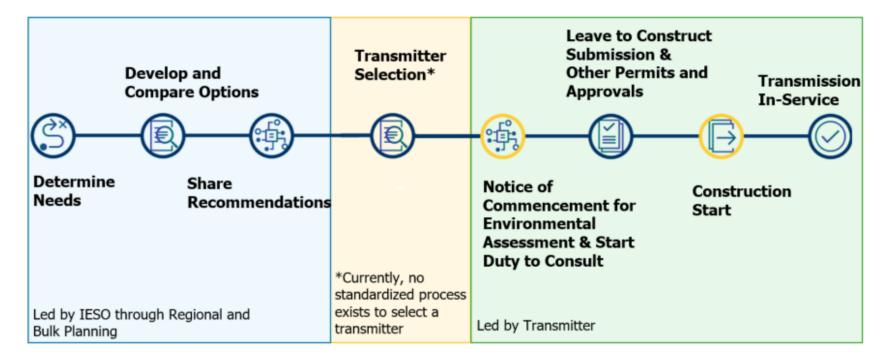
The competitive transmission framework will aim to align with IESO planning processes, provide new opportunities to Indigenous communities, ensure infrastructure development accommodates growth and supports broader generation project siting.



Insights, input and recommendations from Indigenous communities, municipalities, and stakeholders is critical for the design of the framework and evolution of the current process for transmission development.

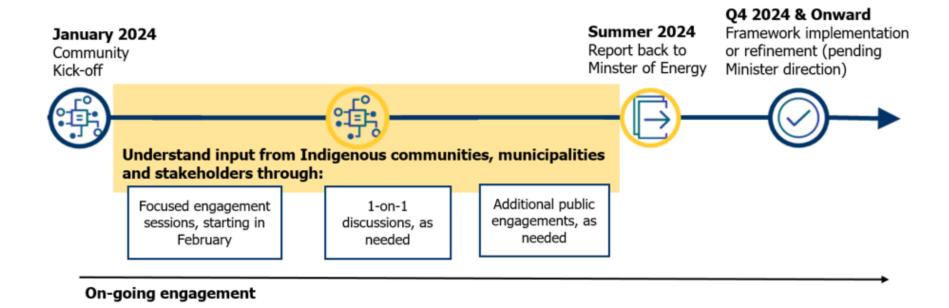


Current Process for Transmission Development





Transmitter Selection Framework Timeline





Seeking Input: Transmitter Selection Framework

Your feedback is important. The IESO is hoping to understand:

- 1. How best can the IESO keep you informed of the TSF development work, and solicit your input on matters relevant to your community's interests?
- 2. Are you interested in participating in the focused engagement sessions and/or 1:1 meetings with the IESO to share your community's feedback and perspectives?
- 3. What do you believe has worked well and what hasn't worked well regarding your experience working with transmitters and/or partnering on electricity projects in Ontario?
- 4. For future transmission projects, how should the IESO think about valuing Indigenous participation? Which Indigenous participation models (e.g., equity partnership, training and employment, capacity funding, etc.) have you seen or experienced as effective for other projects, and why?



Long-Term Two (LT2) Procurement

Marko Cirovic, Sr. Manager, Resource Development and Procurement



Long-Term 2 Request for Proposals (LT2 RFP)

To meet Ontario's growing energy needs, a series of medium- and long-term procurements will be required. Key details include:



Acquiring resources with non-emitting energy-producing profiles, such as wind, solar, hydroelectric, storage and bioenergy for new-build resources and existing facilities.



LT2 RFP is built on the E-LT1 and LT1 RFPs, including applying lessons learned. IESO will aim to provide additional visibility for future procurement opportunities, allowing for additional early engagement and project development.



Several policy drivers may influence project siting, including requirements for obtaining municipal support, enabling northern Ontario projects, enabling development on Crown Land and agricultural land-use limitations.



Timing will be key, LT2 RFP contracts will need to be in-service by 2030. Other mechanisms, such as MT2 RFP will offer flexible five-year terms and further medium- and long-term procurements will be executed on two-year cycles.



Seeking Input: LT2 RFP

Your feedback is important. The IESO is hoping to understand:

- 1. What factors should the IESO consider to make it easier for Indigenous communities to be involved?
- 2. What else should be considered as part of the rated criteria with regards to increasing and bolstering Indigenous participation?
- 3. How can the IESO better support Indigenous communities to make decisions about proposed projects?



What's Next



Get Involved



The IESO invites written feedback by **February 7 for LT2 RFP and Competitive Transmission Framework.** All written feedback should be submitted to engagement@ieso.ca.



For LT2 RFP, the IESO will aim to continue engaging prior to submitting its report back to government in March, 2024.



To develop a competitive transmission framework, the IESO will undertake Focused Engagement Sessions and public engagements (as required), and is open to 1:1 meetings, prior to submitting its report back to government in summer 2024.



To stay informed, please subscribe to receive email communications at www.ieso.ca/subscribe.



Thank You

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APPENDIX



What To Expect



Launching a new Long-Term 2 Request for Proposals (LT2 RFP) for non-emitting resources



Developing a competitive transmitter selection framework

Anticipated Involvement

- Provide input into the draft documents and RFP design
- Respond to inquiries from potential proponents
- Approve new generation or storage projects
- Participate in the procurement

 Provide input and feedback into the development of an enduring framework to guide new transmission development

Timing

- Report back to the Ministry of Energy March 2024
- Proposal submissions expected mid-2025
- Report back to the Ministry of Energy in summer 2024
- Next steps are dependent on Ministerial direction

Connecting Today, Powering Tomorrow,

LT2 RFP Overview (1/2)

To meet Ontario's growing energy needs, a series of long and medium-term procurements will be required, in order to recommit existing resources and incentivize the development of new resources. The first of these new procurements is the LT2 RFP that will:

Acquire resources with non-emitting energy-producing profiles, such as wind, solar, hydroelectric, and bioenergy for:

- New-build resources, including utility scale generation, distributed energy resources, and long lead time resources (such as waterpower), and
- Existing non-emitting resources seeking to re-power in order to continue to contribute to Ontario's needs, including long lead time resources (such as waterpower).



Build on the E-LT1 and LT1 RFPs, including applying lessons learned. IESO will aim to provide additional visibility for future procurement opportunities, allowing for additional early engagement and project development.



LT2 RFP Overview (2/2)

Key details (cont'd):



Several policy drivers may influence project siting, including requirements for obtaining municipal support, enabling additional project development in northern Ontario, enabling development on Crown Land and potential agricultural land-use limitations, including limits to project development on CLI Class 1-3 Agricultural lands.

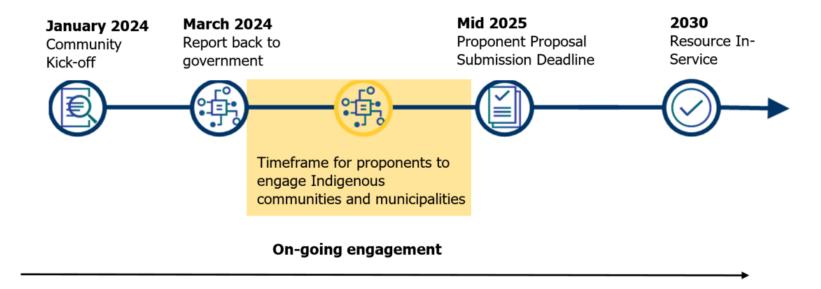


Timing will be key, specifically:

- LT2 contracts will need to be in-service by 2030
- The LT2 RFP will offer long-term contracts (i.e. 20 years)
- Other mechanisms, such as MT2 RFP will offer flexible five-year terms and further long and medium term procurements will be executed on 2-year cycles



LT2 RFP Timeline









Ongoing & Upcoming Transmission Planning Activities (2024)

Regional Planning

South Regional Plans

- Windsor-Essex (Ongoing)
- Burlington to Nanticoke (Caledonia Norfolk, Brant, Hamilton) (Ongoing)
- Kitchener-Waterloo-Cambridge-Guelph (late 2024)

Central Regional Plans

- Toronto (Ongoing)
- GTA North (York Region) (Ongoing)
- GTA West (late 2024)

East Regional Plans

- Ottawa (Ongoing)
- GTA East (mid 2024)

North Regional Plans

• East Lake Superior (mid 2024)



Ongoing & Upcoming Transmission Planning Activities (2024)

Bulk System Planning

South & Central Ontario

- Central-West Bulk Study (Ongoing, due to complete before Q2 2024)
- Southern and Central Ontario Bulk Study (Powering Ontario's Growth Plan) (2024)

Eastern Ontario

Eastern Ontario Bulk Study (2024)

Northern Ontario

- Ontario-Manitoba Intertie Joint Study (Ongoing)
- Northern Ontario System Bulk Study (Powering Ontario's Growth Plan) (2024)
- Northern Ontario Study Connection Study (2024)

