

# Stakeholder Feedback and IESO Response

## Long-Term 2 RFP (LT2 RFP) – May 27, 2025

Following the April 24, 2025, LT2 RFP stakeholder engagement webinar, the Independent Electricity System Operator (IESO) invited stakeholders to provide feedback on the LT2 Tariff Risk Mitigation concepts, LT2 RFP and Contract Updates, Requirements for Crown Land Projects and Deliverability Update. The IESO is currently in the design stage of the LT2 RFP. Feedback is posted on the Long-Term RFP [engagement webpage](#). Please reference the feedback forms for specific feedback as the information below is provided in summary.

### Note on Feedback Summary and IESO Response

The IESO appreciates the feedback received from stakeholders and communities. The tables set out below respond to the feedback received and are organized by topic.

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## A) Tariff Risk Mitigation

Stakeholders broadly support the IESO's efforts to mitigate tariff-related risks but recommend enhancements to ensure mechanisms are flexible, clearly defined, and responsive to project timelines and supply chain complexities. Specific feedback is summarized below.

Feedback / Common Themes	IESO Response
<p><b>Stakeholders were receptive to 100% Pre-COD Contract Price Escalation (CPI-based), with some caveats.</b></p> <ul style="list-style-type: none"><li>Stakeholders agreed that CPI-based escalation offers partial protection against general inflationary pressures during the pre-COD period.</li><li>Two stakeholders expressed concerns that CPI does not align with capital equipment cost trends; suggested using more relevant indices such as the Industrial Product Price Index or a non-residential construction index.</li><li>Some stakeholders noted that while CPI indexing helps, it is insufficient alone to cover volatility from trade policy impacts.</li></ul>	<p>The IESO acknowledges stakeholder support for CPI-based pre-COD price escalation as a measure to address general inflation risk. The IESO also notes suggestions to consider alternative indices, such as the Industrial Product Price Index or non-residential construction indices, to better reflect capital equipment cost trends. While CPI offers a transparent and administratively efficient approach across resource types, consistent with past IESO contracts, the IESO will consider these alternatives for future procurements.</p> <p>Stakeholders correctly observed that CPI escalation alone does not fully address tariff-related cost volatility. As such, the IESO is advancing complementary mechanisms, including the Contract Price Re-Bid Mechanism, to address discrete trade-related impacts outside the scope of general inflation.</p>
<p><b>Stakeholders had mixed concerns on the idea of a Two-Stage Proposal Submission.</b></p> <ul style="list-style-type: none"><li>Some stakeholders suggested that an additional 2 or 3-month window before price submission would provide limited benefit due to tariffs often arising closer to construction start or equipment delivery.</li><li>Some stakeholders worried a staged approach would reduce commitment barriers, encouraging speculative or less-prepared proposals.</li><li>One stakeholder suggested that First Nation engagement would be complicated if economic terms were undefined at initial bid, potentially impacting partnership formation.</li></ul>	<p>The IESO appreciates stakeholders concerns on the Two-Stage Proposal Submission alternative and will be moving away from considering this approach.</p>

Feedback / Common Themes	IESO Response
<p><b>Stakeholders were generally supportive of a Re-Bid Contract Price Mechanism for addressing tariff risk and had the following recommendations:</b></p> <ul style="list-style-type: none"> <li>• <b>Multiple Use:</b> Should accommodate multiple tariff events over project lifecycle.</li> <li>• <b>Materiality Threshold:</b> Stakeholders urge a defined, quantitative threshold for "material impact," commonly suggested at ~2% of total capital cost.</li> <li>• <b>Timing Flexibility:</b> Multiple stakeholders suggested the mechanism should extend past equipment purchase to include point-of-entry and delivery risks.</li> <li>• <b>Broader Triggers:</b> Multiple stakeholders requested that re-bid eligibility encompass all material external trade actions, including foreign tariffs (e.g., U.S./China) and provincial duties.</li> <li>• <b>Off-Ramp + Security Refund:</b> Strong consensus for allowing no-fault contract termination with full refund of Proposal Security if re-bid is denied. Some recommended including partial reimbursement of sunk development costs.</li> <li>• <b>Transparency in IESO Discretion:</b> Stakeholders request clear, objective criteria for re-bid approval to improve predictability and reduce risk of arbitrary decisions.</li> </ul>	<p>The IESO appreciates stakeholder support for the Re-Bid Contract Price Mechanism and the thoughtful recommendations provided. Many suggested refinements have been incorporated into the revised draft documents posted on May 15th, including clarification of eligible triggers and timing flexibility. The updated structure permits one additional contract price submission following a qualifying tariff-related event.</p> <p>The IESO confirms that if a re-bid is not accepted, proponents will have access to an off-ramp provision allowing contract termination with a 50% refund of Proposal Security. While broader reimbursement of development costs will not be adopted, this approach aims to balance developer risk with procurement certainty.</p>

Feedback / Common Themes	IESO Response
<p><b>Several stakeholders proposed a direct contract pass-through of tariff costs as an alternative, emphasizing the unpredictability of tariff impacts and macroeconomic conditions as posing serious risks to project financeability.</b></p> <ul style="list-style-type: none"> <li>• Direct contractual pass-through of new tariffs post-bid with supporting documentation at the time of import.</li> <li>• Suggested as a simpler alternative to re-bid process, reducing administrative burden and removing ambiguity around materiality.</li> <li>• Maintains fairness while allowing low-risk bid pricing without excessive contingency buffers.</li> </ul>	<p>The IESO acknowledges stakeholder interest in a direct contractual pass-through mechanism for tariff-related costs. While such an approach may offer simplicity in concept, implementing a standardized, verifiable, and auditable cost recovery process across diverse project types and supply chains presents material, practical and administrative challenges. Moreover, a direct pass-through would eliminate incentives for proponents to optimize supply chain decisions or actively manage cost exposure, thereby reducing competitive pressure to optimize bids. The re-bid mechanism remains the IESO's preferred approach, as it offers a balanced solution that allows for tariff risk mitigation while maintaining accountability, transparency, and fairness in the procurement process.</p>
<p>One stakeholder requests that the definition of tariffs be expanded to include any adjustments to Investment Tax Credit (ITC) regulations.</p>	<p>Under the current contract framework, tariffs are understood to refer to duties or levies imposed on imported goods. Adjustments to Investment Tax Credit (ITC) regulations are considered distinct from tariffs and are not currently covered under that definition.</p>
<p><b>Other Comments on Tariff Risk:</b></p> <ul style="list-style-type: none"> <li>• One stakeholder urged caution in adopting solutions that disadvantage Canadian-sourced products or introduce trade restrictions that may distort procurement outcomes.</li> <li>• Some suggested adding rated criteria incentives for proponents that commit not to invoke re-bid or off-ramp provisions, to encourage cost-certainty and higher project viability.</li> </ul>	<p>The IESO appreciates the feedback on maintaining neutrality in procurement outcomes and avoiding measures that could disadvantage Canadian-sourced products or introduce unintended trade distortions. The IESO will continue to design tariff mitigation measures that support fairness, competitiveness, and compliance with applicable trade frameworks.</p>

## B) LT2 RFP and Contract Updates

Stakeholders provided detailed feedback on a range of RFP and Contract design elements, requesting greater clarity on timelines, enhancements to deliverability and registration processes, and refinements to provisions impacting gas generators, and hydroelectric expansions summarized below.

Feedback / Common Themes	IESO Response
<p><b>Stakeholders were supportive of approach to gas turbine delay risk, adding the following suggestions:</b></p> <ul style="list-style-type: none"><li>• Long Lead Equipment Risks: support IESO's proposed contract amendments to address gas turbine delays, and further recommend relief to Longstop Date and pricing flexibility at award.</li><li>• Liquidated Damages (LDs) Forgiveness: Multiple stakeholders support waiving LDs in cases of OEM-driven turbine delays.</li><li>• One stakeholder noted that long lead time concerns are not limited to gas turbines but also affect high voltage switchgear, generator step-up transformers, and other electrical equipment. They encourage the IESO to expand mitigation mechanisms to include these items and suggest that liquidated damages are inappropriate when delays are known in advance, as they may lead proponents to inflate bid prices to cover potential penalties.</li></ul>	<p>The IESO acknowledges stakeholder support for the proposed contract modifications addressing gas turbine delay risk and appreciates the additional input received.</p> <p>While the IESO recognizes that long lead time concerns may also apply to other major electrical equipment such as high-voltage switchgear and generator step-up transformers, these markets generally offer a broader set of suppliers and product alternatives compared to the gas turbine market. As such, the risk exposure and mitigation requirements are not equivalent.</p> <p>Further, the IESO does not agree that liquidated damages should be waived in instances of equipment delay. The potential for proponents to incorporate LD-related risk premiums into their bid prices where delays are foreseeable serves as a meaningful market signal. It reflects the extent to which proponents have prepared to manage such risks and contributes to a competitive and risk-informed procurement outcome.</p>
<p>One stakeholder acknowledged the IESO's inclusion of pre-COD change of control provisions but raised concern over the language granting the IESO "sole and absolute discretion" to approve such changes; recommended modifying this language to ensure that consent "may not be unreasonably withheld,".</p>	<p>The IESO acknowledges the feedback regarding the language providing "sole and absolute discretion" for approving pre-COD change of control requests. No changes are planned to this provision. The existing language is intended to preserve the IESO's ability to assess potential impacts on project viability and contract compliance pre-COD, and is considered necessary in light of the competitive procurement process and reliability needs on which the procurement is based.</p>

Feedback / Common Themes	IESO Response
<p>One stakeholder cautioned against changing Pre-AIA filing requirements so close to the submission deadline, citing the potential to undermine ongoing studies; supported allowing developers to submit Pre-AIA after bid submission to reduce financial risk.</p>	<p>Changing the Pre-AIA Submission Filing Requirement to the AIA Component One Requirement reflects policy decisions set forth by the Ministry of Energy and Mines and the Ministry of Agriculture, Food, and Agribusiness.</p>
<p>One stakeholder urged the IESO to extend the CIA rescindment requirement to Transmission-connected projects for equity.</p>	<p>The IESO acknowledges the stakeholder's request to extend the CIA rescindment requirement to Transmission-connected projects. At this time, the IESO will not be extending this requirement beyond Distribution-connected projects. The rescindment policy is targeted specifically at mitigating queue congestion challenges unique to the Distribution system.</p>
<p>One stakeholder requested confirmation that Control Group Members named during registration may be changed before the Proposal Submission Deadline.</p>	<p>Yes, the Control Group Member identified during registration may be changed prior to the Proposal Submission Deadline. Proponents should ensure that any updates are clearly reflected in the final Proposal submission.</p>
<p>One stakeholder requested the rationale behind the 40% pricing weight, asking if this reflects best practices from other jurisdictions.</p>	<p>The 40% threshold used to identify outlier bids relative to the weighted average price of all proposals during the evaluation phase serves as a safeguard against speculative or non-viable pricing. The 40% figure is not derived from external jurisdictional benchmarks but rather from internal analysis and precedent set by past IESO procurements.</p>

Feedback / Common Themes	IESO Response
<p>One stakeholder requested that the calculation for Performance Factor Shortfall be based on a three-year period, aligning with the calculation of the Actual Performance Factor, to account for variations in wind and solar resources. They also request a grace period for at least the first Contract Year following COD.</p>	<p>Under the LT2(e-1) Contract, the IESO currently provides a grace period of the first three years for Non-Performance Charges, as they start after the end of the third year Contract Year and are subsequently determined on an annual basis for the remainder of the Term. As the LT2(e-1) RFP is a reliability procurement, this design helps the IESO ensure that the Facility maintain a Minimum Performance Factor on an annual basis, accordingly the Performance Factor Shortfall is also calculated on an annual basis.</p>
<p>One stakeholder raised concerns about potential disconnects in the definitions of 'Outage' and 'Grid-Based Unavailability,' suggesting that the current definitions may not accurately reflect situations where the Supplier's equipment is functioning, but delivery is prevented due to transmission system issues.</p>	<p>The IESO confirms that the scenario described—where the Supplier's equipment is fully operational, but delivery is prevented due to transmission system issues—is precisely the type of circumstance that the definition of 'Grid-Based Unavailability' is intended to cover. No changes to the existing definitions are being considered.</p>
<p>One stakeholder suggested that the current LT2 RFP structure may not accommodate expansions or upgrades to existing hydro facilities if they are not separately metered; requested a clear procurement path that aligns with the Minister's May 2024 directive.</p>	<p>The LT2 RFP Window 1 is structured to procure services from new, separately metered facilities to ensure performance accountability and settlement accuracy. The IESO has two programs for existing hydroelectric facilities – the Small Hydro Program and the Northern Hydro Program. Both of these programs do not preclude changes to existing facilities that are not separately metered. The IESO is open to continuing to engage with participants to evaluate opportunities to support hydroelectric upgrades under these programs.</p>

## C) LT2 RFP Requirements for Crown Land Projects

Stakeholders emphasized the need for timely release and clarity of the Crown Land Site Report (CLSR) process and documentation, citing concerns about delays, fairness, and procedural transparency. Several parties offered suggestions to streamline the process, mitigate risks of disqualification, and maximize project success rates summarized below.

Feedback / Common Themes	IESO Response
<p><b>Stakeholders generally supported the concept of Ministry of Natural Resources (MNR)-endorsed CLSRs but raised concerns regarding timing and availability of materials.</b></p> <ul style="list-style-type: none"><li>• Multiple Stakeholders flagged that the CLSR template had not yet been released, stressing the need for immediate access to this document and clarity around AoR boundaries.</li><li>• Stakeholders urged the IESO to secure a firm commitment from MNR on the timeline for reviewing submitted CLSRs to avoid jeopardizing proposal submissions.</li><li>• One participant proposed that the IESO consider a voluntary early validation round to catch formatting or land use issues before final submission.</li><li>• One stakeholder asked for clarity regarding what constitutes a CLSR being deemed “complete” and whether this would imply guaranteed land access.</li></ul>	<p>The IESO appreciates stakeholders' feedback regarding the timing and implementation of the Crown Land Site Report (CLSR) process. The <a href="#">CLSR form</a> and <a href="#">waterpower</a> and <a href="#">windpower</a> legacy Applicant of Record (AoR) data have now been released to facilitate proponents' planning. The IESO is actively coordinating with the Ministry of Natural Resources to ensure timely review of submitted CLSRs and supports efforts to streamline this process. Completed CLSRs must be submitted to MNR at <a href="mailto:MNRRenewableEnergySupport@ontario.ca">MNRRenewableEnergySupport@ontario.ca</a> a minimum of 25 business days prior to the IESO proposal submission deadline. If a CLSR is deemed incomplete and a proponent resubmits a CLSR and it is not received 25 business days prior to the IESO proposal submission deadline, MNR makes no guarantee that the MNR Confirmation Letter will be issued prior to proposal submission deadline.</p> <p>With respect to the suggestion of a voluntary early validation round, while such a mechanism will not be implemented for this window, the IESO recognizes the intent to reduce risk related to formatting or land use alignment and will consider this approach for future procurements.</p> <p>Regarding completeness of a CLSR, this refers to MNR's confirmation that the submission meets all informational and formatting requirements. It does not constitute an approval of land access rights, which remain subject to MNR's permitting processes.</p>



Feedback / Common Themes	IESO Response
<p>One stakeholder noted that based on the process outlined in the April 24<sup>th</sup> IESO webinar, proponents will not know if their site overlaps with another proponent's site; recommends that the IESO requires, as part of the registration process, that proponents submit their Crown Land shapefile and the IESO the publish a map of all Crown Land grid squares proposed to be utilized on an anonymous basis. Proponents can then decide if they want to continue utilizing overlapping Crown Land grid squares.</p>	<p>The IESO will not be requiring a Crown Land Shapefile as part of the registration process. Proponents are encouraged to contract MNR at <a href="mailto:MNRRenewableEnergySupport@ontario.ca">MNRRenewableEnergySupport@ontario.ca</a> for questions related to the pre-development process, including site selection. The IESO will consider ways to increase visibility of energy project sites on Crown Land for subsequent windows.</p> <p>The IESO will be checking to ensure that Crown Land Project sites do not overlap with or use the same Crown Land as any AOR Held Lands for which the Proponent is not the Applicant of Record. To support this analysis, MNR has published legacy applicant of record data for <a href="#">waterpower sites</a> and <a href="#">windpower sites</a>.</p>
<p>One stakeholder recommended that the IESO consider setting a defined threshold for minor overlaps (e.g., &lt;10% land area) to enable resolution and prevent automatic disqualification of otherwise strong proposals.</p>	<p>The IESO acknowledges the stakeholder recommendation to allow minor overlaps (e.g., &lt;10% land area) between Project Sites. However, determinations regarding overlapping Crown land applications fall under the jurisdiction of the Ministry of Natural Resources (MNR). The MNR has advised that no allowances will be made for overlaps of any kind. As such, the IESO is unable to accommodate this recommendation within the LT2 RFP procurement framework.</p>

## D) LT2 RFP Deliverability Update

Stakeholders were appreciative of the IESO's transparency regarding connection opportunities, with some raising concerns regarding the evolving deliverability guidance and the need for greater transparency in interconnection cost estimates. Specific feedback is summarized below.

Feedback / Common Themes	IESO Response
<p>One stakeholder expresses concern over the dynamic nature of deliverability guidance updates, noting significant variability in line availability across updates and emphasizing the challenge this creates for development strategy. Suggested the following:</p> <ul style="list-style-type: none"> <li>• HONI provide detailed interconnection cost estimates based on project specifics.</li> <li>• A two-stage approach allowing proponents to revise pricing post-initial deliverability test.</li> <li>• IESO consider evaluating proposals based on combined project and interconnection costs to mitigate risk exposure.</li> </ul>	<p>Based on feedback from stakeholders the IESO undertook the initiative to provide available capacities for all transmission lines with increased granularity in the guidance documents for the energy and capacity stream. This resulted in a number of changes to the line capacities available. The IESO recognizes the challenge developers have with changes to guidance; however, the IESO wants to give developers updated guidance when new information becomes available to enhance their ability to assess the likelihood of their Proposals being assessed as deliverable</p> <p>The IESO is working in collaboration with HONI on mechanisms to improve cost certainty when it comes to interconnection cost.</p>
<p>One stakeholder requested greater transparency around how tie-breaks will be managed for projects near zonal deliverability limits and those with PQ Alternates; suggested the IESO provide feedback on specific constraints that lead to a “Not Deliverable” designation.</p>	<p>Projects will each be ranked (without ties) based on cost of their most economic Primary Proposal PQ or Proposal PQ Alternate. During the final stage deliverability test, projects will be tested one by one in order of the most economical. If a project is found to not be deliverable, it will be found “Not Deliverable” and the next project (Primary Proposal PQ or Proposal PQ Alternate) will be tested one by one until either the target is hit or until all projects (Primary Proposal PQ or Proposal PQ Alternate) in the stack have been tested.</p>

Feedback / Common Themes	IESO Response
<p>One stakeholder recommended allowing proponents to hold conditional CIAs that automatically lapse if the project is not awarded a contract, suggesting this would preserve queue positions, shorten build timelines, and enhance IESO's confidence in interconnection readiness.</p>	<p>It is our understanding that holding a Connection Impact Assessment reserves capacity for a particular project within the Distribution System. Therefore, during deliverability testing there is a risk that capacity would not be available for the project that holds the Connection Impact Assessment or other more competitive projects. This would not allow for a competitive procurement. As a result, for any Proposal seeking to connect to a Distribution System, the project may not be the subject of a Connection Impact Assessment (whether issued or pending) submitted by or on behalf of the Proponent or any of its Affiliates as of the Proposal Submission Deadline.</p>
<p>One stakeholder highlighted ambiguity around whether a PQ Alternate with 0 MW on all but one circuit qualifies as a "single circuit" connection.</p>	<p>Yes, a Proposal PQ Alternate that lists multiple circuits, with 0 MW on all but one circuit will be considered a single circuit connection.</p>
<p>One stakeholder noted that the IESO's guidance to delay SIA applications until after LT2 RFP awards may delay project timelines and impede access to early COD multipliers. Recommended IESO clarify flexibilities in the connection process (e.g., parallel SIA and CIA studies, early engineering agreements).</p>	<p>The Connection Assessments team at the IESO and Hydro One are aware of this risk and will work closely with Suppliers to expedite timelines as much as reasonably possible.</p> <p>Typically the entire SIA/CIA process takes approximately 9-12 months.</p> <p>Engaging as early as possible with the IESO and applicable Transmitters or Distributors to understand what's required to mitigate timing risks is encouraged.</p>

## E) General Comments/Feedback

Specific feedback is summarized below.

Feedback / Common Themes	IESO Response
<p>One stakeholder raised concerns with the requirement that PQ Alternates must use the same Monthly Imputed Production Factors (IPFs) as the Primary PQ Proposal:</p> <ul style="list-style-type: none"><li>• Notes that IPFs can be significantly affected by changes to turbine layout, terrain optimization, and equipment sizing, particularly for wind and solar projects.</li><li>• While acknowledging that IPFs do not need to match net capacity factors exactly, notes that misalignment between actual and imputed values could impact revenue predictability and production guarantees.</li></ul>	<p>The IESO acknowledges the concerns regarding the requirement for Proposal PQ Alternates to use the same Monthly Imputed Production Factors (IPFs) as the Primary Proposal PQ. This approach is intended to ensure consistency in evaluating capacity contributions and to maintain the integrity of the evaluation framework.</p> <p>It is understood that alternate configurations may result in different production characteristics due to layout, terrain, or equipment changes. However, for administrative efficiency and to avoid introducing additional complexity into the evaluation process, the IESO will continue to require the same IPFs for Proposal PQ Alternates.</p> <p>Proponents are encouraged to carefully select alternate configurations that maintain reasonable alignment with the Primary Proposal PQ's performance assumptions to manage any associated risks.</p>

Feedback / Common Themes	IESO Response
<p>One stakeholder expressed concern over the regulatory uncertainty affecting natural gas transmission and distribution costs for gas-fired generators. Recommend implementing a pre-COD fuel-related cost adjustment mechanism to account for cost evolution from Enbridge and TCPL.</p> <ul style="list-style-type: none"> <li>• Enbridge’s application to the Ontario Energy Board (OEB) could alter service levels and pricing by 2027.</li> <li>• TCPL is also expected to submit changes to its cost structure.</li> <li>• The outcomes of these regulatory proceedings will not be known prior to bid submission, making it difficult for proponents to accurately price bids.</li> <li>• Recommend implementing a pre-COD fuel-related cost adjustment mechanism to account for cost evolution from Enbridge and TCPL.</li> </ul>	<p>The IESO acknowledges stakeholder concerns regarding potential cost uncertainties resulting from ongoing and upcoming regulatory proceedings affecting Enbridge and TCPL services. It is understood that these processes may introduce variability in gas transmission and distribution costs that cannot be fully anticipated at the time of Proposal submission.</p> <p>Currently, the IESO does not intend to introduce a pre-COD fuel-related cost adjustment mechanism. Proponents are expected to assess and incorporate anticipated risks, including regulatory developments, into their Proposals. The IESO encourages Proponents to monitor regulatory updates and engage with relevant utilities to inform their pricing strategies.</p>
<p>One stakeholder noted that Premier Doug Ford announced on March 4, 2025, that U.S.-based companies will be banned from bidding on Ontario government procurements, including those by provincial agencies. Requested clarification on whether the IESO will adjust LT2 RFP eligibility requirements to reflect this directive.</p>	<p>The IESO is continuing to work with government to determine the impacts of recently announced policies on the LT2 RFP. The IESO will communicate the results of this work as soon as possible.</p>
<p><b>Prime Agricultural Area Definition:</b> Request to align the definition explicitly with CLI Classes 1-3 to reduce interpretation ambiguity.</p>	<p>The definition of Prime Agricultural Area reflects current Government of Ontario policy direction.</p>

Feedback / Common Themes	IESO Response
<p><b>Affiliate Representation Burden:</b> Concern related to section 7.1(m) of the contract regarding global entities being required to make representations for all affiliates; suggestion to limit to Canadian affiliates.</p>	<p>The representation in section 7.1(m) of the LT2(e-1) Contract and LT2(c-1) Contract only speaks to proceedings or orders against the Supplier itself that could have a Material Adverse Effect on the Supplier and does not speak to the Supplier's Affiliates. IESO views this as a standard and reasonable requirement in light of the reliability needs being served by these contracts.</p>
<p><b>Indigenous Participation Level (IPL):</b> Feedback to revert to LT1 RFP contract structure; the current IPL model adds cost uncertainty and could limit broader Indigenous engagement.</p>	<p>The current IPL model was developed to provide flexibility in structuring Indigenous participation while ensuring meaningful economic participation. The IESO does not intend to revert to the LT1 RFP structure. However, ongoing feedback will continue to inform future enhancements to Indigenous participation design in long-term procurements.</p>
<p><b>Maximum Contract Capacity:</b> Objection to the 95% nameplate capacity cap; recommendation to allow alignment with 100% to improve efficiency.</p>	<p>The 95% cap was retained for the capacity stream of the LT2 RFP to maintain alignment with system reliability needs and to reflect conservative deliverability and connection assumptions for capacity resources. This approach helps ensure accurate system planning and reduces the risk of overestimated contributions during peak periods.</p> <p>The IESO will continue to monitor the performance of contracted resources and assess whether future procurement rounds can accommodate greater flexibility in Maximum Contract Capacity settings for capacity resources.</p>

Feedback / Common Themes	IESO Response
<p><b>Capacity Check Testing:</b> Proposal for up to three re-tests before penalties/default, citing broader market norms.</p>	<p>The current provisions are consistent with past IESO contracts and are intended to balance performance assurance with reliability and administrative feasibility. No changes are planned at this time, though the IESO will continue to review contract provisions considering stakeholder feedback, Capacity Check Test performance results and future procurement needs.</p>
<p><b>Imputed Production Factor Flexibility:</b> Suggestion to allow updates post-COD to reduce forecast risk.</p>	<p>Fixed IPFs at the time of Proposal submission are intended to support a transparent and consistent evaluation process and ensure price comparability across Proposals for energy-based resources. Allowing post-COD adjustments would introduce complexity, reduce the predictability of contract payments and runs counter to the competitive evaluation premise for energy resources.</p> <p>The IESO will continue to monitor the effectiveness of the IPF framework and evaluate whether future procurements may benefit from modified approaches to managing forecast risk.</p>
<p><b>Diversified Farm Use Exemption:</b> One stakeholder advocated exempting diversified farm use projects from AIA requirements and rated criteria penalties if located on agricultural land.</p>	<p>While recognizing the potential benefits of diversified farm use, AIA requirements and rated criteria for avoiding Prime Agricultural Lands continue to apply to all Proposals, consistent with current policy direction from the Government of Ontario. Proponents may use the AIA process to demonstrate agricultural co-benefits and mitigation measures. The IESO will continue to monitor this issue and welcomes supporting data on this topic for future consideration.</p>

Feedback / Common Themes	IESO Response
<p><b>Change in Law Provisions:</b> Recommendations to expand Discriminatory Action definitions and ensure the contract provides price relief for removed federal tax credits or introduced tariffs.</p>	<p>The IESO does not intend to expand the application of the Discriminatory Action provisions or to provide generalized change-in-law price relief. The LT2(e-1) Contract and LT2(c-1) Contract provide targeted relief for specific identified issues, such as IESO Market Rule changes or the post-Proposal introduction of import tariffs. The IESO leaves both the benefit and potential risk of loss of the Clean Technology Investment Tax Credits exclusively to the account of the Supplier under these contracts.</p>
<p><b>Progress Reporting and Event Definitions:</b> Feedback that quarterly reports are burdensome and some Reportable Events are immaterial or vague. Requests for narrower definitions and reporting triggers.</p>	<p>The IESO is not considering changes to the requirements for Reportable Events and the associated event definitions as these are consistent with those under the E-LT1 and LT1 RFPs. Transparency with respect to the development progress of resources under the LT2(e-1) Contract and LT2(c-1) Contract is of critical importance to the IESO given the reliability needs served by these resources.</p>
<p><b>Contract Capacity at COD:</b> Concern over 100% generation requirement at COD; proposal to align expectations with EPC contract norms for substantial completion.</p>	<p>This requirement is consistent with the IESO's approach in prior reliability-based procurements and reflects the need to ensure reliability and capacity commitments from day one. While the IESO understands that engineering, procurement, and construction (EPC) contracts may use different thresholds for substantial completion, no changes are currently planned to this requirement.</p>



Feedback / Common Themes	IESO Response
<p><b>Force Majeure Provisions:</b> Suggestion to include AIA delays and supply chain disruptions explicitly as qualifying events.</p>	<p>The IESO confirms that the existing Force Majeure provisions are intended to capture unforeseen supply chain disruptions that are beyond the Supplier's reasonable control and already provide an appropriate framework for evaluating such events. No changes to the Force Majeure language are planned. With respect to Agricultural Impact Assessments (AIAs), the onus remains on the Supplier to obtain all necessary approvals, including documented confirmation of the applicable Municipality's satisfaction with any required AIA, in accordance with Contract timelines. Delays in securing this approval will not constitute an event of Force Majeure.</p>
<p>One stakeholder sought clarification on whether multiple lines (e.g., X1H–X4H) can be submitted under one Point of Interconnection without penalty.</p>	<p>For clarity, proponents may propose to connect to multiple lines, provided their intent is to connect their Facility to all of the specified lines (as opposed to listing multiples lines as alternatives). Subject to Section 2.1(f)(i) of the LT2(e-1) RFP and LT2(c-1) RFP, if the Long-Term Energy Project is proposed to have multiple connections to Common Corridor Circuits or Common TS Feeders, as applicable, the Proponent must propose the portion of the proposed Contract Capacity (in MW) to be allocated to each Circuit or Feeder, as applicable, in the Proposal Workbook and may designate one alternative allocation of the proposed Contract Capacity to any such Circuits or Feeders.</p>

Feedback / Common Themes	IESO Response
<p>One stakeholder flagged unauthorized LiDAR deployment on Crown Land, seeking IESO intervention to preserve fairness, as the unpermitted proponent may gain competitive advantage through early data access.</p>	<p>The IESO acknowledges the concern regarding unauthorized deployment of LiDAR equipment on Crown Land and the potential implications for fairness in the procurement process. As Crown Land access and permitting fall under the jurisdiction of the Ministry of Natural Resources (MNR), the IESO relies on MNR processes to manage and enforce land use permissions. The IESO will continue to coordinate with MNR to ensure that all proponents adhere to applicable Crown Land use policies.</p>