



**AUGUST 20, 2025**

# Long-Term 2 RFP – Final Documents Webinar

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# Overview

- This engagement is conducted according to the [IESO Engagement Principles](#) posted on the IESO Website
- Today's presentation will be recorded and available for viewing online following the session
- All documents associated with this session can be found on the [Long-Term RFP Engagement webpage](#)

# Participation

- For questions and comments, click on the “raise hand” icon (hand symbol) at the top of the application window
- To unmute audio, click on the microphone icon at the top of the application window
- Audio should be muted when not asking a question
- If experiencing connection issues, contact [engagement@ieso.ca](mailto:engagement@ieso.ca) or Microsoft Office Support

# Agenda

Today's engagement will cover the following:

1. LT2 Window 1 Schedule Update
2. LT2 RFP Addendum #2
3. Other Updates and Next Steps



# LT2 Window 1 Schedule Update

# Timeline for the First Submission Window

The IESO has finalized the following timelines for the first LT2 RFP submission window:

Milestone	LT2 (e-1)	LT2 (c-1)
Final Documents Released	June 27, 2025	June 27, 2025
Deadline for Questions and Comments	<b>August 21, 2025</b>	August 21, 2025
IESO's Deadline for issuing Addenda	August 14, 2025	September 11, 2025
Registration Deadline	September 4, 2025	October 3, 2025
Proposal Submission Deadline	October 16, 2025	December 18, 2025
Target date for notification to Selected Proponents	April 14, 2026	June 16, 2026



## LT2 RFP Addendum #2



# Addendum: Tx Connection Cost Exceedance

## Context:

- Prospective Proponents have not been able to obtain firm connection cost estimates from transmitters for LT2, unlike in past RFPs.
- IESO and Hydro One determined that simple assumptions (e.g., all connections assuming a T-tap) were no longer viable; project-specific studies couldn't be completed in time.
- Introducing a conditional off-ramp via an addendum to the LT2 Contracts for Window 1 only, supported by a reference cost, to provide proponents with a tangible basis for mitigating connection cost risk.

## Future LT2 Windows:

The IESO has introduced the Tx Connection Cost Exceedance mechanism to the LT2 RFPs and Contracts for Window 1 directly in response to a high-level of uncertainty related to connection costs for the Transmission System. The IESO intends to work with Hydro One and other transmitters to address this uncertainty for future Windows of the LT2 RFP and does not intend to maintain the Tx Connection Cost Exceedance mechanism for those future windows.

# Addendum: Tx Connection Cost Exceedance

## Purpose:

- Partially protects Suppliers from significant, unforeseen, Transmission interconnection costs under the LT2(e-1) and LT2(c-1) Contracts.

## Conditions:

- Facility connects to the Transmission System.
- Transmitter's cost estimate exceeds 130% of the [IESO's Generalized Tx Connection Cost Reference](#).
- Supplier used Commercially Reasonable Efforts and Good Engineering and Operating Practices to minimize such costs.

## Supplier Action:

- Submit a Tx Connection Cost Exceedance Notice to the Buyer, with detailed supporting evidence, no later than 18 months after the Contract Date.

## Addendum: Tx Connection Cost Exceedance

### Buyer Response:

- Within 30 Business Days, the IESO must issue a Buyer Tx Connection Cost Exceedance Confirmation confirming whether the cost overage is valid.
- If the IESO confirms the exceedance, it must exercise one of the following options:

### Option 1 - Reimbursement:

- Reimburse Supplier 75% of the cost in excess of 130% of the IESO's Generalized Tx Connection Cost Reference.
- Such reimbursement will be made based on actual costs, post-COD

### Option 2 - Termination:

- Automatically terminate the Contract, without any costs or payments of any kind to either Party.
- Return all Completion and Performance Security within 20 Business Days.

# IESO Generalized Transmission Connection Cost Reference (CCR)

	Proposed Connection Point	Criteria	Reference Infrastructure	CCR*
1	115 kV or 230 kV circuit	All connections that do not meet the criteria for connection arrangements in #3 below	T-tap for each circuit connection	\$10M per circuit
2	Existing 115 kV or 230 kV station	Transmitter (station owner) confirms there is available physical space in an existing station after accounting for other committed or planned system development projects requiring station connection	Direct connection to station	\$30M per connection
3	115 kV or 230 kV circuit	The circuit to connect is on the list of circuits to avoid due to line protection constraints in the applicable Preliminary Connection Guidance documents for the LT2(e-1) & LT2(c-1) RFP	Sectionalizing switching station for each circuit connection	\$60M per circuit
4	500 kV circuit	Any 500 kV line connection	To be determined	\$200M per connection

\*Equipment on the Proponent/Supplier's side of the Connection Point is not included in that CCR.

## Addendum: Tx Connection Cost Exceedance - EXAMPLE

### Project connecting to a 230kV network circuit:

- Public connection cost reference identifies a T-tap at a cost of \$10M for this connection.
- Proponent receives a firm connection cost estimate from the transmitter which identifies that a switching station will be required at a cost of \$50M.
- IESO would agree that the 30% threshold had been exceeded as the firm estimate is more than \$13M.
- In this example, the IESO elects to override the conditional off-ramp.
- Final connection costs are \$45M.
- IESO pays the proponent 75% of the difference between 130% of the reference connection cost (\$13M) and the final connection costs (\$45M), **totalling \$24M.**



## Other Updates and Next Steps

# Updates to Proposal Workbook - Transmitters

- Added "PUC (Transmission) LP" to the dropdown list of transmitters
- Added field "other" for Proponents who wish to connect to transmission lines that are not owned by registered transmitters (such as gen tie lines owned by other developers).

Item	Transmission System Connection Information	Primary Proposal PQ	Pr
113	Name of transmitter:	<select one>	
114	Name of transmitter if "other":	<select one>	
115	Connection voltage:	B2M Limited Partnership	
116	Project is connecting directly to a network transformer station (TS) or switching station (SS) or to one or more circuits:	Canadian Niagara Power Inc.	
117	Name of network Transformer Station (TS):	Chatham x Lakeshore GP Inc.	
118	Name of Switching Station (SS):	Five Nations Energy Inc.	
119	GPS Latitude coordinate of the TS/SS point of connection (e.g. ##.#####):	Hydro One Networks Inc.	
	<GPS coordinates should be provided in degree decimals>	Hydro One Sault Ste Marie Inc.	
	GPS Longitude coordinate of the TS/SS point of connection	Niagara Reinforcement Limited Partnership	
		PUC (Transmission) LP	
		Upper Canada Transmission 2, Inc.	
		Wataynikaneyap Power GP Inc.	
		other	

# Pre-submission Consultations on Connection Guidance & Deliverability Test Methodology

- The IESO will continue to hold these consultations with potential proponents.
- Will be held up until 2 weeks prior to the applicable Proposal Submission Deadline.
- Individual consultations scheduled for no more than an hour; currently no limit to the number of consultations per Proponent but this may change depending on the volume of requests.
- Potential proponents requesting a consultation are encouraged to submit a list of questions to the IESO in advance of the consultation.
- No discussion of the requirements of the LT2 RFPs/Contracts, or communications for Excluded Purposes will be permitted.



## LT2 RFP Window 2

- Design of second window of the LT2 RFP will begin shortly, with the first engagement session to be scheduled in September/October.
- Key design aspects for LT2 Window 2:
  - Repowering/redevelopments
  - Addressing local needs identified in Regional Plans
  - Performance obligations for energy storage resources
  - Potential policy items related to country of origin of components

# Thank You

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