Feedback Form

Long-Term 2 RFP – August 20, 2026

Feedback Provided by:

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Date: September 4, 2026

To promote transparency, feedback submitted will be posted on the Long-Term 2 RFP engagement page unless otherwise requested by the sender.

☐ **NO - There is confidential information, do not post**

X **YES - Comfortable to publish to the IESO web page**

Following the August 20th, Long-Term 2 RFP engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the items discussed. The presentation and recording can be accessed from the Long-Term Procurement engagement webpage.

Note: The IESO will accept additional materials where it may be required to support your rationale provided below. When sending additional materials, please indicate if they are confidential.

Please submit feedback to engagement@ieso.ca **by September 4, 2026.**

Repowering

Do you have feedback on the proposed requirements?

- Repowering: Requirement for Commercial Operation:
- Repowering: Competition Mechanics:

Federal Crown Land

Please inform the IESO if you intend to site your project on federal Crown land.

Disclosure of Additional Pricing Information for Window 1

Do you have feedback the IESO should consider when determining whether to release price curves for LT2 Window 1?

General Comments/Feedback

Please see CanREA's comments and recommendations regarding five items below.

1. Transmission Connection Cost Exceedance Mechanism

CanREA and its members have significant concerns with the IESO's proposal to remove the transmission connection cost exceedance mechanism from the LT2 Window 2 contract. This mechanism provides important protection against a category of material cost risk that proponents cannot control and, at the proposal stage, cannot reliably quantify. Transmission connection costs are ultimately determined through transmitter studies, engineering requirements, and connection agreements that often remain uncertain until well after significant development expenditures have been incurred. The existing mechanism appropriately recognizes that this risk is fundamentally different from normal project development and construction risks.

The removal of the mechanism would transfer a material risk to proponents, creating uncertainty that would affect project participation, financing, and bid competitiveness. In the absence of an appropriate mitigation framework, proponents would be required to incorporate larger contingencies into their proposals, increasing prices and ratepayer costs and reducing the efficiency of the competitive process.

CanREA notes that the original transmission connection cost exceedance framework was introduced in recognition of stakeholder concerns regarding connection cost uncertainty and the limitations of available cost information during the procurement process. Stakeholders therefore require greater clarity regarding the rationale for its removal and how the underlying risk will be addressed going forward.

CanREA recommends that the IESO retain the transmission connection cost exceedance mechanism in the LT2 Window 2 contract unless and until an effective alternative framework has been established. Any replacement mechanism should be developed in consultation with industry, provide

a comparable level of certainty and risk mitigation, and be sufficiently mature that proponents and financing parties can reasonably rely upon it in practice.

CanREA also requests detailed information regarding the alternative approaches currently being considered by the IESO and other parties, including anticipated timelines, guiding principles, and opportunities for stakeholder participation. The renewable energy industry should be actively engaged in the development and evaluation of any new framework given the material implications for project economics, bid strategy, financing, and procurement outcomes.

The sector requires clarity and certainty on this issue in a timely manner, as pre-development activities for LT2 Window 2 are already underway. In advance of the next round of engagement, CanREA requests that the IESO confirm that the existing contractual protection will remain in place unless and until a replacement framework has been finalized, consulted upon, and demonstrated to provide an equivalent level of certainty and risk mitigation for project proponents.

2. DARTA Mechanism

CanREA welcomes the IESO's decision to retain the DARTA mechanism in the LT2 Window 2 contract. Retention of the mechanism appropriately recognizes that day-ahead to real-time (DART) settlement risk remains fundamentally different from risks that variable generation proponents can reasonably manage or control. CanREA appreciates the IESO's continued consideration of concerns previously raised by the sector regarding the allocation of this risk.

However, CanREA and its members have significant concerns with the proposal to reduce DARTA coverage from 85% to 60%. The proposed reduction does not adequately address the concerns raised by industry in previous submissions and appears to transfer a material portion of DART settlement risk to project proponents despite the limited ability of renewable generators to influence the underlying market conditions that drive such outcomes.

While proponents can take reasonable steps to improve forecasting performance, DART settlement outcomes are largely influenced by broader system and market dynamics that remain outside the control of individual projects. As a result, reducing DARTA coverage does not improve risk management efficiency but instead reallocates risk to parties that are not well positioned to manage it.

The proposed reduction may also adversely affect procurement outcomes. More revenue uncertainty is likely to be reflected in higher bid prices, reduced competitive participation, or both. In addition, financing parties evaluate the predictability and stability of project revenues when assessing investment decisions and lending terms. A material reduction in DARTA coverage may increase financing costs and reduce project bankability, ultimately resulting in higher costs for Ontario ratepayers.

CanREA therefore recommends that the IESO maintain a higher level of DARTA protection and adopt a coverage level of **80%**. In CanREA's view, this would provide a more appropriate balance between the IESO's market objectives and the need to allocate risks efficiently to support competitive procurement outcomes, project financeability, and cost-effective investment in Ontario's electricity system.

CanREA further requests that the IESO provide stakeholders with the analysis and rationale supporting the proposed reduction to 60%, including any assessment of the impacts on project economics, bid competitiveness, financing, and overall procurement costs.

3. Transmission Availability and Deliverability (further to CanREA's July 3 submission to IESO)

CanREA and its members would like to emphasize that timely, detailed, and actionable information regarding transmission availability and deliverability remains critical to the success of the LT2 Window 2 procurement.

Transmission availability and deliverability are foundational inputs to project development, siting decisions, interconnection planning, project economics, and bid strategy. Proponents are currently making significant development investment decisions, including land acquisition, Indigenous and community engagement, environmental studies, resource assessments, and interconnection evaluations. These activities require clear visibility into where projects can reasonably be expected to connect to the system and deliver energy to load in a manner that aligns with Ontario's system needs.

CanREA acknowledges the IESO's commitment to publish updated deliverability guidance no later than September 2026 and appreciates the work being undertaken to provide proponents with greater clarity. Given that pre-development activities for LT2 Window 2 are already underway, CanREA respectfully urges the IESO to release this information at the earliest opportunity within this month and to maintain the committed timeline. Timely access to this information will enable proponents to make informed development decisions and avoid unnecessary expenditures in areas where transmission limitations may materially affect project viability.

CanREA further submits that deliverability information will only provide its full intended value if accompanied by clear and transparent information regarding how project location may be assessed within the procurement process. Should the IESO intend to encourage development in particular regions of the province through locational rated criteria, evaluation preferences, capacity maps, transmission availability indicators, or other locational signals, this information should be released concurrently with the updated deliverability guidance this month (September 2026).

Deliverability and locational evaluation signals are inherently interconnected. Proponents cannot fully assess development opportunities or efficiently allocate development capital without understanding both where transmission capacity may be available and how project locations may be valued through proposal evaluation. The release of one without the other creates unnecessary uncertainty and increases the risk that developers will pursue projects and local partnerships in locations that may ultimately be disadvantaged within the procurement framework despite otherwise favourable technical characteristics.

From a procurement perspective, providing clear and transparent information at the outset will support more efficient market participation and better overall outcomes. Developers are currently deciding where to focus finite development resources and investment capital. Early visibility into transmission availability and locational priorities will enable proponents to concentrate development activity in areas that are most aligned with system needs, reducing speculative development activity and improving the quality of projects advanced into the procurement. Greater certainty at the

development stage will also support stronger competition and more efficient bid formation, ultimately benefiting Ontario ratepayers.

CanREA also notes that early clarity regarding transmission availability and preferred development areas is important to supporting meaningful Indigenous and community engagement. Project proponents require sufficient time to establish relationships, explore partnership opportunities, and undertake consultation activities before proposal submission. Providing timely information regarding transmission availability and locational priorities will allow this engagement to occur earlier and in a more informed manner.

To further support informed decision-making, CanREA recommends that the IESO commit to providing ongoing updates should material changes occur to transmission assumptions, deliverability assessments, or locational priorities between the publication of the guidance and the proposal submission deadline. Given the development timelines associated with utility-scale generation projects, proponents require confidence that investment decisions are being made on the basis of current and reliable system information.

With project proposals expected to be submitted in Q2/Q3 2027, the sector requires sufficient lead time to evaluate opportunities, advance project development, secure land and interconnection arrangements, engage Indigenous communities and local stakeholders, and prepare competitive proposals. CanREA therefore requests that the IESO publish its updated deliverability guidance as it has committed to – in September 2026 – and release any associated locational evaluation criteria, maps, incentives, or planning signals at the same time. Doing so will improve transparency, support more efficient development activity, strengthen competition, and enhance the effectiveness of the LT2 Window 2 procurement process for the benefit of Ontario ratepayers.

4. Dual-Use Agrivoltaics in Prime Agricultural Areas (further to CanREA's July 3 submission to IESO)

CanREA welcomes the IESO's and government's consideration of potential changes to the current restrictions on solar development in agricultural areas and would like to emphasize its recommendation that dual-use agrivoltaics projects should be made eligible within Prime Agricultural Areas, while maintaining the exclusion of Specialty Crop Areas.

CanREA supports an approach that balances the protection of Ontario's agricultural lands with the need to develop new electricity infrastructure to meet growing demand. Agrivoltaics represents a well-established dual-use approach that enables continued agricultural production alongside electricity generation, creating opportunities to preserve agricultural activity, support farm viability, diversify rural income streams, and contribute to Ontario's clean energy and reliability objectives.

More broadly, CanREA recommends that the IESO remove the existing LT2 e-2 RFP prohibition on Non-Rooftop Solar Projects within Prime Agricultural Areas and instead rely on the Municipal Support Resolution (MSR) requirement as the primary mechanism for determining local suitability and support. Municipalities are best positioned to evaluate local land-use priorities, agricultural considerations, community interests, and site-specific circumstances. The MSR process already provides a robust and locally accountable framework through which municipalities can determine whether a proposed project is appropriate within its local context.

CanREA believes this approach would more appropriately vest land-use decisions with municipalities rather than creating a blanket procurement restriction that may not reflect local conditions or community priorities. Where a municipality has reviewed a project and determined that it merits municipal support, proponents should not face an additional procurement-level prohibition that prevents otherwise suitable projects from participating.

Removing this restriction would support more efficient procurement outcomes by expanding the range of viable project siting opportunities available to the market. In many regions of Ontario, agricultural areas overlap with strong wind and solar resources, available transmission infrastructure, suitable land characteristics, and willing host communities. Excluding these lands categorically may unnecessarily reduce competition, constrain site selection opportunities, and limit the ability of proponents to develop projects that align with local priorities and system needs.

CanREA further notes that greater flexibility in site selection can help proponents optimize projects around transmission availability, deliverability considerations, Indigenous partnership opportunities, and community support. This can contribute to a stronger field of competitive proposals, lower development risk, and ultimately improved value for Ontario ratepayers.

Early policy clarity on this issue is particularly important as proponents are actively undertaking site selection, land acquisition, Indigenous engagement, municipal discussions, and other pre-development activities in advance of LT2 Window 2 proposal submissions. Providing timely direction regarding agricultural land eligibility will allow developers, municipalities, landowners, and Indigenous communities to assess opportunities with greater confidence and reduce the risk of investing development resources in projects that may subsequently be rendered ineligible.

CanREA would welcome the opportunity to work with the IESO, government, municipalities, agricultural stakeholders, Indigenous communities, and other interested parties to develop agrivoltaics eligibility criteria and implementation measures that appropriately balance agricultural protection and energy development objectives. Establishing a clear and workable framework well in advance of LT2 Window 2 proposal submissions would provide certainty to proponents, support informed investment decisions, and enable the sector to bring forward innovative projects that contribute to both Ontario's energy and agricultural objectives.

5. LT2 Window 2 Contract Term

For LT2 Window 2 and subsequent windows, CanREA submits that the contract term length should be 30 years, for both new-build and repowering projects. This reflects the IESO’s acknowledgment and understanding that renewable energy assets have a useful life of up to 30 years with good operations and maintenance practices. This would contribute to IESO resource adequacy over the long term and reduce future IESO administrative burden. For comparison, British Columbia, Quebec and Saskatchewan all offer 30-year contracts for renewable energy projects, reflecting the maturation of renewable energy technologies, operational excellence and valuing their full useful life. A 30-year contract term length would also help to lower project prices and costs for ratepayers by spreading costs over a longer period.