

Stakeholder Feedback and IESO Response

Long-Term 2 RFP (LT2 RFP) – December 10, 2024

Following the October 22, 2024, LT2 RFP stakeholder engagement webinar, the Independent Electricity System Operator (IESO) invited stakeholders to provide feedback on the LT2 RFP Multiple Submission Window Approach as well as the Ministry of Natural Resources (MNR) presentation titled Renewable Energy on Crown Land Considerations and Predevelopment Roadmap. 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. A separate document will be published by the IESO to respond to the feedback received for the Ministry of Natural Resources (MNR) presentation titled Renewable Energy on Crown Land Considerations and Predevelopment Roadmap.

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A) LT2 RFP Multiple Submission Window Approach

Stakeholders were generally supportive of the proposed multiple submission window approach under the LT2 RFP, indicating that it provided predictable opportunities to participate as well as stability for future investments. Many stakeholders provided feedback on procurement targets and requested clarity on deliverability assessments and the treatment of support confirmations. Specific feedback is summarized below.

Feedback / Common Themes	IESO Response
<p data-bbox="181 443 776 552">The IESO should provide clarity on procurement targets under the LT2 RFP multiple submission window approach:</p> <ul data-bbox="181 579 855 1066" style="list-style-type: none"><li data-bbox="181 579 855 724">• Stakeholders expressed the need for updated targets for future submission windows to be made available as early as possible after the completion of each window.<li data-bbox="181 730 855 875">• One stakeholder indicated that the IESO should consider a range as the procurement target to enable full flexibility to contract high quality projects that meet system needs.<li data-bbox="181 882 855 1066">• One stakeholder indicated that the first submission window should be assigned a lower percentage of the total procurement target to allow more time for obtaining support confirmations.	<p data-bbox="855 443 1524 705">The IESO is currently developing procurement targets and is expecting to inform stakeholders on draft targets for the LT2 RFP submission windows at the IESO’s next stakeholder engagement webinar. Final targets for the initial window will be published in the final LT2(e-1) RFP and LT2(c-1) RFP.</p> <p data-bbox="855 732 1524 995">Procurement targets for each window will be informed by the IESO’s projected needs for both energy and capacity resources at the start of the commitment period in the contract for the respective window. Targets for submission windows beyond the first submission window may evolve with changes in system needs.</p>

The IESO should provide additional clarity on how procurement documents will be treated across submission windows:

- Stakeholders indicated that the LT2 RFP and Contract should remain substantially consistent across submission windows (not precluding improvements made based on findings from previous windows) as consistent procurement documents provide certainty, transparency and predictability for Proponents.
- Stakeholders also indicated that the IESO should remain open to potential changes suggested by Proponents between submission windows that may arise due to changes in policy, etc. Changes should also be clearly communicated with early notification.
- One stakeholder indicated that draft RFPs and contracts should be published with a 2-to-3-month feedback period.

Under the LT2 RFP multiple submission window approach, the IESO expects that procurement documents will remain substantially consistent across submission windows, subject to appropriate adjustments.

The IESO will provide notice of any changes made to procurement documents as early as possible and will solicit feedback from stakeholders.

The IESO updates draft documents based on stakeholder feedback, policy guidance and updated design considerations. After the publishing of each draft, the IESO will solicit feedback from stakeholders and aims to provide as much time as possible for stakeholders to do so. As revisions to draft materials can occur on an irregular basis, setting aside a two-to-three-month stakeholder review period after the publishing of draft materials can have a detrimental effect on procurement timelines. After the publishing of the final RFPs and Contracts for each window, stakeholders can submit feedback on the documents through the question and comment period. The IESO may then issue addenda to the applicable RFPs and Contracts if changes are warranted.

Timelines for future procurements (e.g. LT3 RFP, MT3 RFP) should not be negatively impacted by the LT2 RFP multiple submission window approach.

Some stakeholders expressed concern that the introduction of multiple submission windows under the LT2 RFP could defer commercial operation dates for the LT3 RFP and MT3 RFP or reduce the number of stakeholder engagements.

Timelines for the IESO's future procurements will be informed by system needs for the period beyond 2033 and may require revisions depending on the needs identified. The IESO will ensure that timelines set for the LT3 RFP, MT3 RFP, etc. provide sufficient opportunities for stakeholder engagement and suitable time for project development

The IESO should provide additional clarification for how project support confirmations will be applied across multiple submission windows:

- Many stakeholders indicated that support confirmations should have the flexibility to be valid across all LT2 RFP submission windows and should be applicable to a project and not a specific submission window.
- Some stakeholders requested clarity on whether support confirmations would remain valid if minor project modifications occurred between submission windows.
- One stakeholder indicated that municipalities and Indigenous Communities should have the ability to decide if existing project-specific support confirmations are applicable to all LT2 RFP submission windows or the first submission window only.

Under the LT2 RFP multiple submission window approach, municipalities and Indigenous Communities will have the ability to decide whether support confirmations will remain valid beyond the first submission window. The IESO has revised the Prescribed Form: Evidence of Municipal Support and is currently revising the Prescribed Form: Evidence of Indigenous Support to require a Proponent to attest that their support confirmation has not been revoked, amended or supplemented in any material respect as of the date of submission.

It will be up to the municipality or Indigenous community to determine if an existing support confirmation remains valid for future submission windows. Proponents are encouraged to communicate with the impacted municipality or Indigenous community prior to submitting the prescribed forms referenced above.

Feedback / Common Themes	IESO Response
<p>The IESO should clarify how deliverability will be assessed, prioritized and communicated under the multiple submission window approach:</p> <ul style="list-style-type: none"> Some stakeholders asked if deliverability and interconnection availability would still be prioritized for energy-producing resources as previously communicated by the IESO. One stakeholder indicated that the IESO should implement an intermediate deliverability assessment between submission windows to estimate interconnection constraints for a project prior to Proposal submission. To support the additional workload, the IESO could implement a fee to ensure that only serious requests are submitted for review. Another stakeholder indicated that connection capacity should be reserved or preferentially assigned to hydroelectric projects seeking to participate in the future Long Lead Time Resource Procurement (LLT RFP) as they may have higher production capacities. 	<p>The IESO is currently evaluating its approach to deliverability under the LT2 RFP multiple submission window approach and will be providing an update at the IESO’s next stakeholder engagement webinar.</p> <p>The LLT RFP is independent from the LT2 RFP, the IESO will assess work with interested parties to examine the deliverability approach of the LLT RFP at a later date.</p>
<p>The IESO should post a yearly LT2 RFP Guidance document that includes details such as updated procurement targets and deliverability information.</p> <p>Stakeholders indicated that a yearly document would support project planning and decision making for Proponents.</p>	<p>Thank you for your feedback, the IESO is currently considering an approach to publish an LT2 RFP Guidance document, which would apply to future submission windows, as soon as possible after the award of LT2 Contracts in each submission window. The LT2 RFP Guidance document is expected to contain deliverability information and updated procurement targets to inform Proponents and support project development decisions.</p>
<p>Clarify the number of submission windows available for the LT2 Capacity RFP</p>	<p>The IESO is still determining the number of submission windows where resources will be procured under the LT2 Capacity RFP and evaluating how procurement targets will be allocated across the windows (which may evolve with changes in system needs). These details will be presented to stakeholders at the IESO’s next stakeholder engagement webinar.</p>

Feedback / Common Themes	IESO Response
<p>Clarify if the multiple submission window approach will also be applied to the IESO’s Long Lead Time Resource Procurement.</p>	<p>A multiple submission window approach is not expected to be applied to the LLT RFP. The LLT RFP is expected to be stand-alone procurement with unique submission considerations from LT2 RFP.</p> <p>The IESO sees the multiple submission windows under the LT2 RFP as being supportive of a resource with longer lead times, providing them the opportunity to select the window best suited to their resource’s development timelines.</p>
<p>The IESO should re-visit and enable opportunities for hybrids and co-located resources to participate under the LT2 RFP submission windows.</p>	<p>As indicated at the June 13th stakeholder webinar, hybridized facilities are eligible to participate in the LT2 RFPs by either participating in the energy stream via an energy contract for the energy-producing resource or by participating in the energy and capacity stream by receiving an energy contract for the energy resource and a separate capacity contract for the capacity resource.</p> <p>At present, the IESO does not expect to enable specific incentives or opportunities to encourage participation from hybridized facilities under the LT2 RFP submission windows but will continue to engage with the sector.</p>
<p>The IESO should allow repowered facilities to participate under the multiple submission window approach of the LT2 RFP.</p>	<p>Thank you for your feedback, the IESO does not expect to enable opportunities for repowered facilities under the LT2 RFP submission windows. The IESO will be considering opportunities for these facilities under the LT3 RFP or other future long-term procurements.</p>

B) Ministry of Natural Resources (MNR) – Renewable Energy on Crown Land Considerations and Pre-development Roadmap

Stakeholders expressed the need for MNR to create a dedicated centralized unit with set service standards for the review of renewable energy project requests, citing the potential negative impact of current processing times on Proposal development timelines. Stakeholders also provided feedback on the Predevelopment Roadmap, including requests to simplify the process, for instance through the creation of a separate class for MET masts under the Renewable Energy Project Approval and Permit Requirements Document (APRD). Some stakeholders also requested clarity on the ability to transfer

Applicant of Record (AoR) status. The IESO is currently working with MNR to provide responses to feedback and will provide specific feedback in a separate document.

C) General Comments

Specific feedback is summarized below.

Feedback / Common Themes	IESO Response
<p>The IESO should take a more proactive role increasing the awareness of municipalities about the LT2 RFP and future procurements.</p> <p>Stakeholders indicated that some municipalities are conducting their procurements under outdated frameworks and could benefit from additional information.</p>	<p>The IESO appreciates this feedback and is committed to working with municipalities and proponents. Given the volume and geographic dispersion of potential energy-related projects across the province, the IESO has developed several resources/actions targeted to the needs of municipalities to ensure uniform access to information to aid municipal decision-making. For the LT2 RFP, the IESO has held four community engagement webinars where it has shared key updates and has attended 12 municipal conferences to engage with municipalities across the province. In addition, the IESO recently developed the Electricity Toolkit for Municipalities to reflect how electricity projects are developed and the planning underway to ensure the future reliability of electricity in Ontario. Municipalities are encouraged to reach out community.engagement@ieso.ca with any questions.</p>
<p>The IESO should provide procurement timelines for the Long Lead Time Resource procurement (LLT RFP) and overlay them with timelines for submission windows under the LT2 RFP.</p>	<p>The IESO is still in the process of reviewing information received through the Long Lead Time Resources Request for Information (RFI) to determine the next steps on the LLT RFP. An update will be provided at the upcoming stakeholder webinar. The LLT will be independent of the LT2 RFP, however timelines for the LT2 RFP will be considered as part of the procurement design.</p>