

# Feedback Form

## Long Lead-Time RFP – March 26, 2026

### Feedback Provided by:

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Date: April 20, 2026

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

- NO - There is confidential information, do not post
- YES - Comfortable to publish to the IESO web page

Following the March 26<sup>th</sup> Long Lead-Time 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 Lead-Time RFP 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](mailto:engagement@ieso.ca) by April 15, 2026.**

## **Section 1: Stakeholder Engagement Materials**

### Supply Chain Disclosure Plan & Related Incentives

#### **Do you have any feedback on the proposed plan or additional incentives?**

##### **Feedback on Supply Chain Disclosure Plan**

The PWU is highly supportive of the Supply Chain Disclosure Plan (SCDP) as a base requirement for all bidders. We further suggest that the SCDP aggregate data be used to develop Canadian-content supply baselines, identify gaps and bottlenecks for Canadian content, and inform the design of future procurement requirements (scaling up future incentives and requirements accordingly). To do so, the PWU recommends that the disclosure data be systematically analyzed and published (in aggregate form). The findings can be used to inform future Committed Canadian Content thresholds and sector strategies. As such, the PWU strongly recommends that the aggregate SCDP information for all bidders should be shared with the government – not just the SCDPs of Selected Proponents.

##### **Policy Alignment with Buy Ontario Procurement Regime**

The LLT RFP procurement framework should be considered in the context Ontario's broader Buy Ontario procurement regime, which explicitly uses public procurement to strengthen domestic supply chains and industrial capacity. In this context, the current LLT RFP Supply Chain Incentives design appears relatively modest. As Ontario moves toward applying Buy Ontario principles to major capital infrastructure projects, including energy investments, it will be important to ensure that Supply Chain Incentive mechanisms are sufficiently robust and scalable to support application to future energy and infrastructure investments.

##### **Importance of Getting CCR Pilot Framework Right for Other Technology Sectors**

While the current LLT procurements are limited to hydroelectric and energy storage resources, the Supply Chain Incentives framework being established through these processes will likely inform future procurements for larger and more strategic infrastructure, including nuclear generation and major transmission projects. It is therefore important that the design of the Supply Chain Incentives be sufficiently robust, scalable, and appropriately scoped so it can be adapted to these future investments.<sup>1</sup>

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<sup>1</sup> A significant share of nuclear generation and transmission project value lies in manufactured equipment, fabrication, and engineering services, rather than site-based construction alone. Furthermore, Ontario already has a globally competitive nuclear supply chain with the potential for expansion. Procurement decisions will influence whether this supply chain is anchored, scaled, or displaced by global competitors. This implies that Supply Chain Incentives design for Canadian Content must be scalable and eventually evolve to capture high-value manufactured components and systems; include engineering, design, and advanced fabrication; and reflect the full lifecycle value chain of complex infrastructure projects.

## **Feedback on Supply Chain Incentives (Slide 9 and Committed Canadian Content Percentage Schedules in April 1 Contracts)**

The Power Workers' Union (PWU) supports the inclusion of Supply Chain Incentives in the Long Lead-Time (LLT) procurement framework. These provisions represent an important step toward aligning Ontario's electricity procurement with broader economic and industrial policy objectives.

However, in its current form, the Committed Canadian Content Percentage Schedule (as described in Slide 9 of the March 26 webinar and in the April 1 Contracts) is unlikely to materially strengthen domestic supply chains at scale. The framework would benefit from stronger incentives, improved design, and, eventually, a broader definition of Canadian content, particularly if it is intended to serve as a model for future large-scale procurements (e.g., nuclear (including SMRs) and transmission infrastructure).

If Ontario wants procurement to build domestic industrial capability, the incentives must be strong enough and shaped well enough to change sourcing behaviour at the margin, and deepen domestic supply chains. The current schedule rewards projects that already happen to be at 60% Canadian content. The proposed incentive seems to work as a binary price adjustment, not a graduated reward. That means the mechanism creates a cliff at 60%, not a ladder that rewards moving from, say, 40% to 55% to 70% to 85%.

A binary threshold is a weak industrial-policy tool because it does not reward incremental domestic deepening above the threshold and may not justify the added cost/risk of switching to Canadian suppliers for projects near the margin. Supply-chain policy works best when it changes marginal decisions at the design and sourcing stage. A cliff-style incentive can produce two problems. First, it may mostly reward projects that were already going to hit 60%, rather than inducing additional domestic sourcing. Second, it gives an insufficient incentive reward for Canadian Content above 60%. A proponent who can reach 75%-79% gets only an additional 0.5% evaluation benefit as one just clearing 60%. From an industrial policy perspective, this small additional incentive is insufficient.

This binary incentive schedule provides very little incremental incentive above 60%, limiting motivation to further deepen Canadian Content, and may be insufficient to offset cost and risk of shifting to domestic suppliers.

PWU recommends replacing the current threshold-based Supply Chain incentive with a graduated structure. For example, evaluation adjustments could increase from 1% at 40% Canadian content to approximately 5–6% at 80–90% content. This approach ensures that incremental improvements in Canadian sourcing are consistently rewarded and that higher levels of domestic integration (where costs and complexity are greatest) receive proportionately stronger incentives.

A binary 60% threshold risks becoming a compliance exercise. A graduated incentive is necessary if Ontario intends Canadian content to influence real procurement decisions.

The PWU suggests that a proposed graduated schedule to address the problems with the Supply Chain Incentive Schedule on Slide 9 (specifically, the Committed Canadian Content Percentage Schedule in the April 1 Contracts):

**Committed Cdn Content % | Evaluated Proposal Price Reduction**

<40%		0%		No benefit
40–50%		1%		Small signal
50–60%		2%		Moderate
60–70%		3%		Strong
70–80%		4%		Very strong
80–90%		5%		High
90%+		6%		Maximum

**Alignment with Federal Domestic Content Incentives Under Clean Economy Investment Tax Credits**

The PWU also strongly suggests that the IESO consider aligning the Supply Chain Incentives with Federal Domestic Content Incentives Under Clean Economy Investment Tax Credits. Such an alignment would mimic the ITC bonus adders by using evaluation price reductions. In practical terms, this would imply evaluation adjustments in the range of approximately 6–8% for higher levels of Canadian content (e.g., above 70–85%). This alignment would ensure that provincial procurement signals are consistent with federal policy, providing a coherent and economically meaningful incentive for developers to invest in Canadian supply chains.

If the Supply Chain Incentive is materially smaller than federal ITC incentives, it becomes irrelevant. Developers will optimize for tax credits (large, real money), not procurement scoring (if small). So, the alignment is necessary for effectiveness.

To align with the Federal ITC incentives, the PWU suggests the following schedule:

**Committed Cdn Content % | Evaluated Proposal Price Reduction**

<40%		0%		No eligibility
40–55%		2%		Partial signal
55–70%		4%		Base domestic effort
70–85%		6%		Equivalent to ITC bonus
85%+		8%		Super bonus tier

Either of the two proposed schedules would be a considerable improvement on the binary Supply-Chain Incentive schedule proposed on Slide 9 (and in the April 1 contracts). The IESO may want to start with the first graduated schedule and then increase the Committed Canadian Content thresholds over time, aligning them with the federal ITCs.

**Do you have any feedback on the proposed mechanism to address failure to meet committed percentage of Canadian content?**

Generally, the proposed liquidated damages mechanism (described on Slide 10 of the March 26 webinar), are directionally serious and likely adequate as a compliance mechanism, but their adequacy ultimately depends on the size of the evaluation benefit and the cost differential between Canadian and non-Canadian sourcing. If the province strengthens the upside incentive, it should also revisit the downside penalty to preserve symmetry.

### Access Rights: Requirements

Do you have any feedback on the proposed requirements?

N/A

### Reserve Price

Do you have any feedback related to the attributes that are being considered as part of the calculation of the Reserve Price? Please note: Stakeholders are encouraged to provide any supporting documents or reports that they would like the IESO to consider.

Are there any further items that you would like the IESO to consider (e.g., project financing impacts)?

N/A

### Deliverability

Do you have any feedback on the Proposed pre-deliverability activities?

Do you have any feedback to share on the Deliverability Testing approach and related guidance outlined in the presentation?

*Please note that the IESO intends to post the Deliverability Test Methodology document to the LLT RFP website by mid-April.*

N/A

## Regulation Services Readiness Requirements

Do you have any feedback on the Regulation Services Readiness Requirements?

## Withdrawal Capability Check Test

Do you have any feedback related to the Withdrawal Capability Check Test?

N/A

## General Comments/Feedback

Do you have additional feedback to share with the IESO?

N/A

## Section 2: RFPs, Contracts and Prescribed Forms

Do you have additional feedback to share with the IESO in relation to the updated RFPs, Contracts and Prescribed forms that will be posted to the website on April 1, 2026?

See feedback above in Section 1 on Supply Chain Disclosure Plan & Related Incentives.

Please use the table below to provide specific feedback.

Document	Section Reference	Feedback