
JULY 11, 2023

Ongoing Activities to Address Ontario's Growing Electricity Needs

Discussion with Indigenous Communities

Purpose of Today's Discussion

- Recap the role Indigenous communities play in securing new electricity generation supply and progress made so far
- Outline status and path forward for the upcoming LT1 procurement
- Address any questions and hear from communities about their experiences so far
- Discuss next steps

Indigenous Communities Play a Key Role

- Inform electricity planning to ensure a reliable and adequate supply to meet future needs
- Shape the province's energy transition by providing input into procurement designs and requirements
- Host new generation, transmission and storage
- Engage or consult with project proponents on the applicable approvals

Recap: E-LT1 RFP Update

- The E-LT1 RFP is complete with 1,176.7 MW of long-term capacity secured; results described on the next slide
- The list of the 17 Selected Proponents' projects are available on the IESO [website](#)

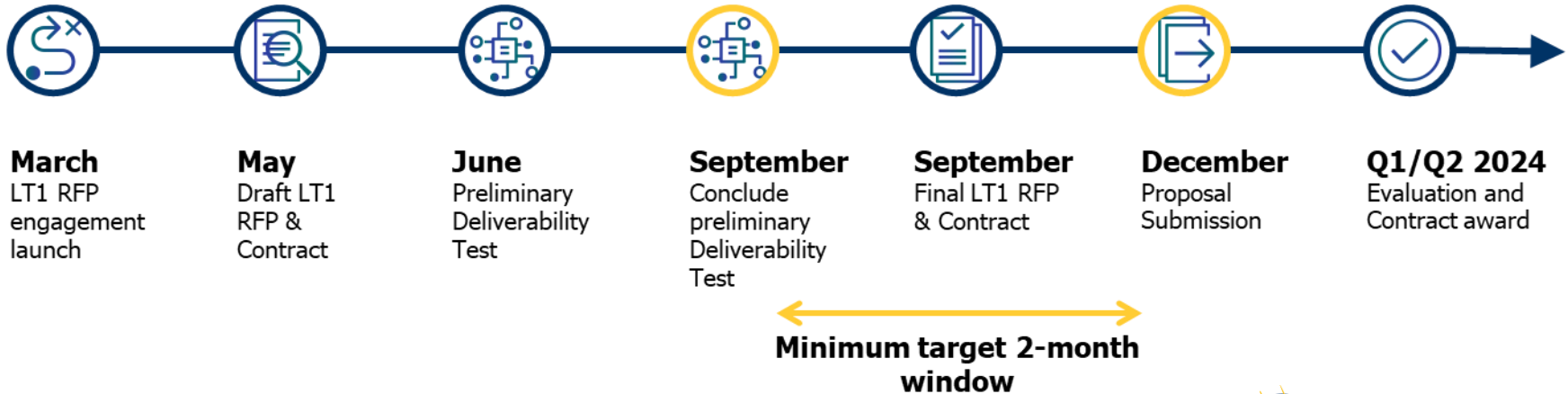
LT1 RFP Overview

- The LT1 RFP will procure new-build resources as well as eligible expansions at existing facilities to meet capacity needs that emerge mid to late 2030s
- Proponents unsuccessful in the E-LT1 RFP evaluation process will have the opportunity to re-submit projects into the LT1 RFP
- Contracts will be awarded for projects coming into service in the 2028 timeframe with proposed incentives for early operation, however natural gas contracts will not be permitted to go beyond 2040
- Where a project is located on Indigenous Lands (as defined in the RFP), evidence of Indigenous Support (e.g., Band Council Resolution) will be required in advance of Proposal Submission. (This requirement will also add an automatic 3 points as it satisfies the Rated Criteria Local Governing Body Support Confirmation)

LT1 RFP Timeline

In response to concerns regarding development timelines, as well as revised reliability assumptions, the IESO is **proposing to modify the Commercial Operation Date (COD) for the LT1 RFP to May 1, 2028.**

The IESO will aim to conclude LT1 RFP and offer contracts by end of **Q2 2024**



Ministry of Energy – Indigenous Participation & Duty to Consult

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Rated Criteria – Indigenous Participation

Creating opportunities for Indigenous leadership and participation in the procurement of new electricity capacity is a way to support economic development opportunities for Indigenous communities and to advance steps towards reconciliation.

The LT1 RFP will include rated criteria points for proponents that have certain levels of economic participation by Indigenous communities, as defined in the LT1 RFP.

The Ministry is proposing that **3 points** be available for Indigenous Participation:

- **1 point** for an Indigenous economic interest of between 10% and <50% and
- **2 points** for an Indigenous economic interest greater or equal to 50% Indigenous economic interest.

Rated Criteria – Indigenous Participation

One (1) additional rated criteria point is being considered for those projects with an Indigenous economic interest above 10% that are proposed to be sited on:

- a) The Indigenous Lands, as defined in the LT1 RFP, of such Indigenous community, **OR**
 - b) Lands within the treaty area, or the established or asserted traditional territory or homeland of such Indigenous community. **[Proposed change for LT1]**
- This would require an attestation from a natural person with authority to bind such Indigenous community attesting to the status of such lands.

Note: if project is located on Indigenous Lands (as defined in the LT1 RFP), the Indigenous economic interest will only include the equity interest of the Indigenous Community (on whose land the project is to be sited).

Indigenous Engagement & Consultation



Projects procured under the LT1 RFP may have the potential to impact Aboriginal or treaty rights protected under section 35 of the *Constitution Act, 1982*.

Early engagement with Indigenous communities is important for understanding any potential impacts of the proposed projects and identify early on how those impacts can be appropriately mitigated or accommodated, as appropriate.

Like the expedited RFP, proponents will be required to submit a Community and Indigenous Engagement Plan with their RFP submission.

Indigenous Consultation: LT1 Contract Changes



Typically, Indigenous consultation requirements are fulfilled through the environmental approvals required for the project. However, some technology types are not subject to a provincial environmental approvals framework that the Crown may rely on to fulfill its duty to consult. This includes certain **standalone battery storage projects**.

For such project types only, the Ministry of Energy intends to direct the IESO to include Indigenous consultation requirements in the LT1 contract. The following process is proposed:

1. Once LT1 Contracts are signed, contract counterparties would contact Ministry of Energy to determine if their project has the potential to impact Aboriginal or treaty rights.
2. If the Ministry of Energy determines that a duty to consult is owed, the ministry would delegate the procedural aspects of consultation to the proponent and identify which Indigenous communities should be consulted.

Indigenous Consultation: LT1 Contract Changes



3. Proponent consults with Indigenous communities and submits its records of its Indigenous consultation to the Ministry of Energy for review.
4. The ministry will review the consultation records to ensure that the proponent's efforts have been sufficient, and will issue a letter to the proponent confirming so or else follow up with any outstanding questions or guidance on specific issues identified
5. The proponent will provide confirmation to the IESO that any procedural aspects of consultation delegated to the proponent have been undertaken to the satisfaction of the Ministry of Energy.

This process would only apply to those technology types that are not subject to a provincial environmental approvals framework that the Crown may rely on to fulfill its duty to consult, such as **standalone battery storage projects**.

Indigenous Consultation: Delegation Letter



The Ministry of Energy would delegate the procedural aspects of consultation to proponents via letter, which will outline all of the consultation expectations of the proponent.

- Proponents who have undertaken the Class EA for Minor Transmission Facilities Screening process in relation to the project's connection facilities will be familiar with the approach taken by the Ministry in delegating the procedural aspects of the Crown's duty to consult.
- A standard delegation letter template will be made available.



IESO Energy Support Programs (ESPs)

Energy Support Program Application Window is Now Open

- The IESO's Energy Support Programs can help communities build their capacity to engage on the LT1 RFP.
- The 2023 application window opened on June 30 and will close on July 28 at 11:59 pm EDT.
- ESP information, such as funding applications, are available on the [Indigenous Relations page](#) of the IESO website.

Changes for the Current ESP Intake Window

Pre-2023 Funding	Current Funding
<p>Indigenous Energy Projects (IEP) Program Feasibility Study:</p> <ul style="list-style-type: none">Up to \$25,000 in funding	<p>Indigenous Energy Projects (IEP) Program Feasibility Study:</p> <ul style="list-style-type: none">Up to \$50,000 in funding
<p>Community Energy Champion (CEC) Salary</p> <ul style="list-style-type: none">Up to \$50,000 per year; orUp to \$55,000 per year, if applicants are approved for the Additional Qualification Top Up of \$5,000 per year	<p>Community Energy Champion CEC Salary</p> <ul style="list-style-type: none">Up to \$55,000 per year; orUp to \$60,000 per year, if applicants are approved for the Additional Qualification Top Up of \$5,000 per year

Existing Energy Support Programs (ESPs) Overview

Community Energy Champion Program (CEC)	Indigenous Community Energy Plan (ICEP)	Education and Capacity Building Program (ECB)	Indigenous Energy Projects Program (IEP)
<p>Support communities and organizations to hire a designated energy worker</p> <p>Maximum funding for three (3) years: Up to \$55,000 per year Or Up to \$60,000 per year, if applicants are approved for the Additional Qualification Top Up of \$5,000 per year; CEC Expense: Up to \$15,000 per Application</p>	<p>Support communities and organizations to develop and maintain an updated energy plan</p> <p>Maximum funding to develop a plan for two (2) years: Up to \$90,000 or Up to \$95,000 for remote communities Maximum funding to update an existing plan for one year: Up to \$25,000 or Up to \$30,000 for remote communities</p>	<p>Support communities and organizations to build capacity and job-readiness skills</p> <p>Maximum funding per project Up to two (2) years: Total up to \$125,000 Community energy engagement: Up to \$50,000 Energy skills building, project training and certifications: Up to \$75,000 Innovative knowledge/data sharing models: Up to \$50,000</p>	<p>Support communities and organizations to develop energy projects and partnerships</p> <p>Maximum funding per calendar year: Total up to \$200,000 Project development: Up to \$150,000 Feasibility Study: Up to \$50,000 Partnerships: Up to \$50,000 Innovation: Up to \$200,000</p>

Next Steps

- Feedback on the information shared today can be submitted via feedback form by **August 1, 2023** to engagement@ieso.ca
- We will continue to provide information and engage on these topics and new items to help inform the procurement process
- Stay in touch by visiting the [community engagement page](#)

IESO Procurement-Related Information Sources for Communities

IESO Long-Term RFP and Expedited Procurements Webpage – main procurement project webpage, includes project timelines, postings of key documents such as the draft requests for proposals and contracts, and information on qualified applicants

IESO Procurements Engagement Webpage – main engagement webpage for the procurements; includes webinars and feedback received

IESO Procurements Community Engagement Webpage – dedicated engagement webpage for municipalities and Indigenous communities related to the procurements; includes dedicate webinars and community feedback as well as key related materials

Thank You

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