

# Feedback Form

Long-Lead Time RFP – November 19, 2025

Feedback Provided by:

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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 November 19<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 [LLT 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 December 3, 2025.**

## **LLT Energy RFP and Contract**

### **LLT(e) RFP – Resource Eligibility**

Do you have feedback on the proposed resource eligibility requirements?

Based on the presented materials ESC does not offer any substantive comments further to what we have provided in the past.

### **LLT(e) RFP – Team Member Experience**

Do you have feedback on the proposed Team Member Experience requirements?

Based on the presented materials ESC does not offer any substantive comments further to what we have provided in the past.

### **LLT(e) RFP – Access Rights**

Do you have feedback to help inform the requirements related to access rights for waterpower projects?

Based on the presented materials ESC does not offer any substantive comments further to what we have provided in the past.

### **Draft Documents**

Do you have feedback to share on the [draft LLT\(e\) RFP and Contract](#)?

*Note: Stakeholders are welcome to attach a separate document that contains comments on the draft documents. Please indicate if separate documents are confidential.*

No comment

## **Additional Design Considerations**

### **Early In-Service Provisions**

Do you have feedback related to the proposed early in-service provisions?

Overall, the direction outlined is acceptable and reflects an understanding of project development realities. However, we remain concerned that the interaction between early in-service flexibility and the scheduled step-down of the Investment Tax Credit (ITC) could inadvertently undermine investor confidence and impede the timely build-out of energy storage.

For storage developers, the single most critical factor is regulatory and financial certainty. Projects are already navigating long development cycles, evolving procurement timelines, and complex supply chains. In this context, clarity on ITC eligibility dates and interaction with project timelines is essential. Developers make multi-million-dollar commitments based on the assumed ITC value at the time of investment decision or contract award. Any ambiguity about whether an

early in-service project will still qualify for the intended credit level risks disrupting financing, delaying procurement, and ultimately slowing Canada's clean-energy deployment.

We therefore urge the government to ensure that early in-service provisions are structured to protect the ITC level expected at the time of a project's contract award or major financial commitment, rather than exposing proponents to step-downs that occur later in the process.

In short, while the proposed framework is workable, its effectiveness depends on guaranteeing predictability around ITC timing and eligibility. ESC encourages the government to prioritize this certainty to ensure early in-service provisions function as intended and enable timely, investable project delivery.

### **General Comments/Feedback**

Do you have additional feedback to share with the IESO?

ESC would also like to provide further feedback on two items raised during the recent webinar: optional termination and reserve prices.

#### **1. Optional Termination Provisions**

ESC is concerned that the optional termination concept, as presented, is not bankable in its current form. While the intention is understood, termination without a clear, fair, and predefined reimbursement structure introduces significant financing and equity risk. Developers invest considerable time, capital, and effort into early-stage work, including engineering, permitting, interconnection studies, Indigenous engagement, and procurement planning. If a contract is terminated unilaterally without a mechanism to recover reasonable sunk costs, it exposes proponents to losses that cannot be carried by lenders or investors.

This is particularly problematic for partnerships with First Nations. Many project agreements include revenue-sharing, ownership models, or economic participation commitments. An arbitrary or uncompensated termination could harm these partners, undermine reconciliation and reducing trust in Crown procurement processes. ESC recommends establishing a structured cost-recovery mechanism for terminated contracts.

#### **2. Reserve Price Transparency**

ESC also encourages improved transparency regarding reserve prices. While we recognize the sensitivity around revealing exact values, some level of guidance or communication is essential for proponents to price bids accurately. Without this, developers risk anchoring bids to incorrect assumptions, which can lead to misalignment between system needs and procurement outcomes. Providing a reserve price range, methodology overview, or indicative signals would support more accurate, competitive, and responsible bids while maintaining procurement integrity.

Additionally, ESC would like to highlight 3 other aspects for the IESO's consideration.

- **Increase Minimum Duration Requirement:** ESC recommends setting a minimum storage duration of 10 hours for LDES resources in the LLT Capacity Stream to align with Ontario's projected 8–12 hour needs and global best practices. This approach ensures long-term system reliability and cost efficiency for a 40-year procurement.
- **Consider Multiple Price-Duration Bids:** If a 10-hour minimum is not adopted, the IESO could request proponents to submit multiple bids at different durations (e.g., 8, 10, 12 hours), giving flexibility to select the most cost-effective option based on future system needs.

- Non-Emitting Requirement: All resources participating in the LLT Capacity RFP should be non-emitting during operations, ensuring alignment with Ontario's clean energy objectives.