Feedback Form

Long-Lead Time RFP – December 18, 2025

Feedback Provided by:

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Date: January 15, 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 December 18th 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 **by January 15, 2026.**

Policy Considerations

Buy Local Policy Provisions

The IESO invites participants to share information to better understand:

> Which project components (including services) do proponents already expect to source within Ontario and/or Canada, and the associated percentage of project costs made up by these components (i.e. what were proponents already planning on doing in Ontario and/or Canada?)
>
> Which project components (including services) could be sourced within Ontario and/or Canada, to the extent proponents were not already planning on using Ontario and/or Canadian components, and the associated percentage of project costs made up by these components (i.e. what could proponents do in Ontario and/or Canada?)

Are there any other considerations the IESO should be aware of?

LLT Design Considerations

Municipal Support Confirmations

Do you have feedback regarding the IESO's proposal related to the timing of municipal support confirmations and the pre-engagement confirmation notice.

As the IESO identified, given the timing of Municipal elections and the importance of early and meaningful engagement, it is important that materials related to Municipal engagement requirements for the LLT RFP – including the form of Municipal Support Confirmation and Prescribed Forms – be released as early as possible.

Additionally, we suggest the IESO:

1. Remove the 60 day minimum period between delivery of Pre-Engagement Confirmation Notice and the date of the Municipal Support Confirmation; this may create an unnecessary procedural bottleneck when early and frequent engagement by the Proponent with the Municipality has already been taking place.

2. Have no limitation on when the Municipal Support Confirmation is dated prior to proposal submission (e.g., remove "no later than August 21, 2026"). Responsibility will still fall on proponents to ensure they manage their Municipal Support Confirmation processes in a manner that accounts for this being a Municipal election year.

Team Member Experience

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

Independent Engineer Report Requirement

Do you have feedback on the proposed Independent Engineer Report Requirement? Specifically, the IESO is seeking feedback regarding key information that should be included in the template that will be provided to streamline review for the Independent Engineer.

Early Commercial Operation

Do you have any comments on the information presented related to early commercial operation and potential commercial operation date restrictions that may be introduced to reflect the timing of new transmission infrastructure?

As a reminder, the IESO is currently hosting early deliverability discussions with proponents to inform the approach taken for early commercial operation as well as deliverability assessments as part of the LLT RFP.

Hydrostor appreciates the IESO taking a more flexible approach when assessing deliverability for LLT projects. We support the IESO taking the longer-term view that includes all future transmission upgrades being planned for or being considered as part of any deliverability assessment. As the development process progresses post-contract, if Suppliers are able to achieve a COD that is earlier than the Milestone COD of 2035, and if grid conditions can support this earlier COD, then an earlier COD should be allowed following the process outlined by the IESO.

Post-Proposal Applicable Tariffs

Do you have any comments on the information presented on post-proposal applicable tariffs and the provision proposed by the IESO?

If the proposed revised Fixed Capacity Payment or Fixed Price is not accepted by the IESO, we suggest the IESO change the language from "the Contract **will** be terminated without any costs or payments of any kind to either Party" to a provision that allows the Supplier to terminate the contract should it choose, and if not the contract will be maintained unamended.

Mid-Term Extended Outages

As noted during the presentation, the IESO is open to providing more flexibility related to the usage of mid-term extended outages. However, further information is required.

The IESO is seeking the following specific information, which will help inform any updates to this design feature:

> How mid-term extended outages will be used over the term (i.e., what is the nature of the work being performed) and how this differs from other planned outages;
>
> The timing, frequency and duration of mid-term extended outages;

Outage requirements over the term with project specific schedules

Must Offer Requirements (Capacity)

Do you have feedback related to Must Offer Requirements?

We support in principle the expansion of Qualifying Hours to include weekends and holidays as part of the LLT Contract. This would further enable LLT LDES resources to serve as a daily capacity backstop for the IESO grid in the long-term.

Practically, the main constraint with expanded daily requirements is that it creates further limitations on when LLT LDES resources may be able to charge their systems. We therefore continue to recommend the IESO incorporates contractual coverage mechanisms in the event LLT LDES resources are energy-constrained due to being dispatched during qualifying hours, without risking non-performance charges.

Draft RFP and Contract

Do you have additional feedback to share on the draft LLT 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.

We anticipate conducting a review of the draft LLT RFP and Contract over the coming weeks, and look forward to providing the IESO with feedback on specific items if identified.

General Comments/Feedback

Hydrostor welcomes the opportunity to comment on the IESO's considerations around the LLT RFP. Hydrostor is a global leader in the development of utility-scale LDES solutions, using its proprietary Advanced Compressed Air Energy Storage technology (A-CAES). A-CAES is an emission free, cost-effective, reliable and commercially ready technology that is currently deployed in Canada with advanced development projects in Australia and in the United States.

Do you have additional feedback to share with the IESO?

Rated Criteria Points for Agricultural lands

Hydrostor would reiterate our previous feedback that we recognize the importance of agricultural development planning considerations, as well as the importance of completing an Agricultural Impact Assessment as one key part of ensuring active engagement with municipal communities and councils. However, we strongly recommend that for Capacity projects participating in the LLT RFP there be no rated criteria points related to the usage of prime agricultural areas, in alignment with the IESO's proposed approach for LLT Energy projects. There will be a comparatively limited number of LLT LDES projects being developed, with these projects having a very high energy density. Importantly, these resources will have long lives and should ideally be located in strategically significant areas of the grid to best serve system needs over their long lives. LLT LDES resources should therefore be encouraged to site in areas that maximize their long-term system benefits. Providing rated criteria points to projects that avoid prime agricultural areas effectively amounts to a grading system that

could penalize optimal LLT LDES siting from a long-term system benefits perspective, which runs counter to the ultimate objective of the LLT RFP, and will increase costs and reduce overall benefits of the LLT RFP results to the Ontario grid.

Contract escalation

Hydrostor strongly recommends the IESO allow a higher percentage of the Year 1 Contract Price to escalate with inflation. LLT resources are long-lived infrastructure projects with higher levels of operating and sustaining capex (compared to shorter-term products such as batteries, wind, and solar) and have much higher exposures to expense fluctuations over the long term. Allowing for somewhere in the range of 60% of the Year 1 Contract Price to escalate with inflation would align with the operation lifetimes and realities of LLT resources. Labour costs, sustaining capex, and general maintenance activities are all linked to prevailing costs which in turn are directly linked to actual inflation rates over the 40-year contract term. A 60/40 split on contract price escalation would also maintain a relatively consistent long-term ratio between the operating and sustaining capital expenses and the contracted revenues, compared to a 20/80 split where these expenses could make up ~50% of contracted revenues towards the tail end of the contract.

In relation to the procurement outcomes specifically, long-term component inflation is harder to predict and price into competitive bids, leading to higher bids prices (caused by higher risk premiums) from proponents. Providing a higher level of price escalation coverage would therefore allow proponents to submit more competitive bids, to the benefit of the IESO and ratepayers.