Feedback Form

Long-Lead Time RFP – January 28, 2026

Feedback Provided by:

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Email: [redacted]

Date: 11 February 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**
- X **YES - Comfortable to publish to the IESO web page**

Following the January 28th 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 February 11, 2026.**

Policy Considerations

LLT Design Considerations

Access Rights for LLT Energy Projects

ORA Comment:

Federal Crown lands & timelines:

ORA is concerned that access-rights requirements for LLT(e) hydro projects remain incomplete, particularly for projects involving **federal Crown lands and federally owned waterbodies**.

At present, the draft framework relies heavily on land title documentation and proponent attestations, while acknowledging that federal Crown access requirements remain to be confirmed. This creates a material risk that projects could be advanced through the procurement process **without demonstrated legal or regulatory certainty over the waterbodies and lands required for operation**.

For long-lead hydroelectric projects with multi-decade contractual implications, access rights must be fully resolved prior to proposal submission, not deferred. ORA submits that:

- Eligibility for LLT(e) should require documented confirmation of access to all required provincial and federal Crown lands and waterbodies.
- Placeholders or future determinations are not appropriate for projects seeking long-term energy contracts.
- Timelines for federal permitting should be explicit and conservative, recognizing the complexity and jurisdictional sensitivities of hydro development.

Modifications Required to the Project Site Definition

ORA Comment:

Project Site Definition for Hydroelectric Projects

The current definition of "Project Site" for LLT(e) hydro projects is **inadequate** and does not reflect the physical, ecological, and legal footprint of hydroelectric development.

Hydro projects affect far more than the parcels on which infrastructure is physically located. Flooded lands, altered flow regimes, downstream reaches, sediment transport, and fish passage are integral components of project impacts and risks. Treating these effects as external to the Project Site undermines transparency, environmental accountability, and informed municipal and Indigenous engagement.

ORA strongly insists that for hydroelectric projects, the Project Site definition be expanded to include:

- Intended operating strategy (run-of-river or modified peaking operations)

- Inundation and flood zones,
- Full extent of upstream and downstream impact reaches, and
- Any lands or waterbodies affected by altered flow and water level fluctuations and/or storage regimes.

This information is knowable at the proposal stage and is absolutely essential for assessing cumulative effects, access rights, and long-term riverine system risk.

Periods of Reduced Water Availability (Energy)

ORA Comment:

The proposed settlement modification for periods of reduced water availability does not address the critical underlying issue: **New hydroelectric facilities are increasingly energy-limited and hydrologically unreliable under current and projected climate conditions**. Hydroelectric projects as small as 1 MW, which do not align with the stated long-lead objectives of the procurement **or with typical development timelines for such facilities. This will be disastrous for riverine ecosystems and for ratepayers.**

ORA further questions the inclusion of hydroelectric projects as small as **1 MW** within a procurement explicitly framed as a *Long Lead-Time* RFP. There is no evident planning or construction rationale for treating a 1 MW hydro facility as a long-lead resource, nor for offering such projects long-term contractual protections designed for large, complex infrastructure with extended development timelines. Including very small hydro projects in this framework risks misaligning procurement tools with actual system needs, while extending disproportionate risk protection and ratepayer exposure to projects that do not require long-lead procurement to proceed.

The IESO's own planning documents have repeatedly acknowledged that **northern hydropower is an intermittent, unreliable and energy-limited resource**, with output constrained by hydrology rather than installed capacity. Despite this, the proposed LLT(e) settlement approach continues to treat reduced water availability as an external risk to be managed contractually, rather than as a **known and foreseeable system limitation**. This is a well-known risk that the IESO is shifting to ratepayers.

Small hydropower delivers electricity at precisely the wrong times. Peak generation typically coincides with spring runoff, when demand is low, while summer heat—when electricity demand is highest—often brings low flows that force production cuts or shutdowns. **IESO analyses showing run-of-river facilities operating at just 15–30% of installed capacity**[1] confirm that this is not a design flaw but a structural reality. Treating such projects as reliable long-term energy resources ignores hydrology, climate change, and basic system planning logic.

Hydropower in southern Ontario is subject to the same climate-driven constraints, including reduced summer baseflows, higher water temperatures, and increased competition for water resources.

Ontario's own Climate Change Impact Assessment[2] forecasts increased summer drought risk, reduced baseflows, and greater hydrologic variability across much of the province. In this context, contract structures that protect proponents from non-delivery during drought conditions risk **over-contracting energy that cannot be reliably produced when it is most needed**. This is **unacceptable under a 20 or 40-year contract**.

Replacing imputed production factors with actual production during high-price/low-water months reduces proponent downside risk but **does not improve system reliability**, nor does it incentivize climate-resilient project siting or design. **Instead, it shifts hydrologic and climate risk from project proponents to Ontario ratepayers.**

ORA urges the IESO to ensure that LLT(e) procurement does not rely on legacy assumptions about hydro reliability, and instead reflects contemporary climate science, cumulative watershed impacts, and transparent risk allocation. It is a **public-trust issue** when the province and the IESO continue to ignore climate risks.

By modifying settlement mechanics to shield proponents from the financial consequences of low-water, high-price periods, the IESO is not merely accommodating uncertainty—it is **deliberately transferring documented hydrologic risk from private proponents to Ontario ratepayers**. This approach **undermines market discipline, weakens procurement integrity, and creates perverse incentives to contract energy that cannot be relied upon when it is most needed.**

Keeping in mind that any new hydropower project will not be in service for at least another 5 to 10 years. This means climate change impacts will have increased significantly by then. Consequently, ORA submits that if hydroelectric projects remain eligible under the LLT(e) stream, settlement mechanisms must:

- Explicitly reflect climate-adjusted hydrology rather than historical averages.
- Stop insulating proponents from foreseeable, systemic water-availability risk, particularly given climate change projections indicating persistent and worsening flow constraints.
- Ensure that non-delivery during low-flow conditions is treated as a material performance issue rather than an externality absorbed by the system.

Absent these safeguards, the proposed approach risks undermining price signals and locking the system into long-term exposure to climate-driven underperformance.

Prescribed Forms

ORA Comments:

ORA has reviewed the January 23 and February 6 draft prescribed forms and workbooks for the LLT(e) stream and notes that they **implicitly treat hydroelectric generation as a dependable long-lead energy resource**, without requiring proponents to demonstrate climate-adjusted production realism. **It is essential to account for climate change**.

In particular, reliance on imputed production factors and fixed-price bidding tools without mandatory disclosure of hydrologic assumptions, climate sensitivity, or drought exposure creates a risk that proposals will overstate firm energy contributions.

ORA recommends that prescribed forms be strengthened by requiring**:**

- Disclosure of baseline hydrology periods used to derive production factors.
- Identification of climate change assumptions and stress-testing scenarios.
- Clear acknowledgment of seasonal and drought-related operational constraints.

Without this information, the IESO and the public cannot meaningfully assess whether proposed LLT(e) hydro projects align with Ontario's long-term reliability and climate-resilience objectives.

ORA General Comments/Feedback:

Cumulative Impacts on Ontario Ratepayers:

ORA is increasingly concerned by the cumulative financial burden being placed on Ontario electricity ratepayers through IESO procurement and contract design choices. Across recent engagements, ratepayers have been positioned as the default risk absorber for:

1. **Retention and monetization of environmental attributes and clean energy claims** funded through ratepayer-supported contracts, even where those attributes are later used to meet industrial or policy objectives.
2. **Stacking of multiple compensation mechanisms**—energy payments, capacity payments, environmental attributes, and risk-mitigation provisions—for the same facility, without commensurate accountability for performance under real-world operating and climate conditions
3. **Long-term fixed-price contracts for resources** whose performance is declining under climate change.
4. **Settlement mechanisms that compensate for non-delivery** rather than enforcing performance discipline.
5. **Escalating system costs** associated with transmission expansion, deliverability constraints, and congestion management.
6. **Stranded or underperforming assets** locked into multi-decade contracts.
7. **Policy-driven procurement volumes** that exceed demonstrated domestic reliability needs.

ORA is concerned that ratepayers are financing the assets and contracts that generate those credits, only to be told the credits are "extra value". Concerned that environmental benefits and clean energy attributes are being treated as additive system value even where the underlying resource is energy-limited, intermittently unavailable, or unable to perform during system stress events. When ratepayers fund long-term contracts, absorb hydrologic risk, and also underwrite environmental attributes for the same facility, the result is **cost stacking rather than value creation**. This approach obscures true system costs and further weakens the link between public expenditure and actual climate or reliability outcomes. Environmental attributes should not be used to mask or compensate for poor operational performance or climate vulnerability.

The proposed LLT(e) treatment of reduced water availability must be viewed within this broader pattern. It is not an isolated design choice; it is part of a recurring approach in which known project risks are externalized onto the public while private proponents are protected from the consequences of underperformance.

ORA submits that this trajectory is neither economically prudent nor ethically defensible. Ratepayers are already carrying the weight of past planning errors. They should not be further burdened to underwrite speculative supply strategies or climate-vulnerable resources whose limitations are well documented at the time of contracting.

Ontario ratepayers should not be used as the backstop for an energy-superpower strategy that was never disclosed, debated, or endorsed, particularly where the IESO's own analyses confirm that the contracted resource cannot reliably deliver energy under current and future climate conditions.

If a project cannot bear its own operational and climate risk, it should not be eligible for a long-term energy contract. Its costs for failure to meet its commitments should never be shifted to the ratepayer.

Ethics & Accountability:

ORA submits that **all foreseeable project risks—including hydrologic variability and climate-driven water scarcity—must be borne by the proponent**, **not transferred to Ontario ratepayers** through contract design. Northern hydropower is a known energy-limited and intermittent resource, a fact documented in the IESO's own planning analyses. Treating reduced water availability as an external shock rather than an inherent project risk is therefore indefensible.

Placing the financial consequences of failure to deliver onto the public is not merely a technical choice; it is **an ethical failure in public-interest decision-making**.

Ratepayers did not propose these projects, do not control their siting or design, and did not consent to underwriting long-term climate risk. It is neither appropriate nor responsible to use public electricity bills as a backstop for projects whose performance limitations are well understood at the time of contracting.

The IESO is mandated to provide reliable and affordable electricity, not to shift private project risk onto the public. Instead, under the current approach, Ontario ratepayers are being positioned to absorb spiralling and out-of-control costs that the system was expressly designed to prevent.

Linda Heron, Chair
Ontario Rivers Alliance

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[1] *North of Dryden Integrated Regional Resource Plan – January 27, 2015, by OPA/IESO. P-56 & 124. Online: http://www.noma.on.ca/upload/documents/north-of-dryden-report-2015-01-27.pdf*

[2] *Ontario Provincial Climate Change Impact Assessment, Technical Report, January 2023. Online: https://www.ontario.ca/files/2023-11/mecp-ontario-provincial-climate-change-impact-assessment-en-2023-11-21.pdf*