

# Feedback Form

## Long-Lead Time RFP – January 28, 2026

### Feedback Provided by:

Name: Mark Holmes

Title: President

Organization: Xeneca Power

Email: [REDACTED]

Date: February 5, 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 January 28<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 February 11, 2026.**

## Policy Considerations

### Buy Local Policy Provisions

The IESO is seeking stakeholder feedback to understand:

1. Whether proponents were already planning to source at least 50% of goods, services and workforce related to the project locally (i.e., from Ontario/Canada)
  - a. For those Proponents that were not planning this, is it possible and what would the cost implications be?
2. An indication of Projects that would be unable to source at least 50% of goods, services and workforce locally regardless of cost implications

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

Is there any additional feedback you would like to provide in response to the proposed local supply plan requirement currently under consideration? It is not clearly defined what constitutes locally produced goods and services. For example, are components manufactured offshore and assembled in Canada considered Canadian?

Given the significant civil construction cost of Hydro projects, Xeneca expects to meet a possible 50% Canadian/Ontario content objective. However, given the inherently early-stage nature of the LLT process, it would be difficult to make a detailed content analysis at this time.

Items such as steel, concrete, and on-site construction related to dams, powerhouses, road and powerlines should make up well over 50% of a Hydro project. However, electrical equipment (transformers, switch gear, wires, generators and turbines) is typically imported and does make up a substantial portion of total cost.

A firm commitment to provide 50% Ontario content, this early in the project development cycle would add some risk. Bidders assuming this risk might be forced to add this risk to the bid price, depending on the level of risk perceived.

Given that Hydro projects typically meet the 50% Ontario content without a mandated requirement, Xeneca would recommend not to make it a contract requirement under LLT contracts. It adds risk, complexity, and possibly cost to the rate payers unnecessarily.

# LLT Design Considerations

## Resource Eligibility – Capacity

Do you have any feedback on the proposed updates to resource eligibility requirements for LLT Capacity Projects?

## Access Rights for LLT Energy Projects

The IESO is seeking feedback on the following:

### Requirements for Projects Locating on Federal Crown Lands

- Process for obtaining access rights to federal Crown lands.
- Timelines related to obtaining a federal priority permit and what stage Proponents would expect to have reached by the Proposal Submission Deadline (e.g., priority permit granted)

### Modifications Required to the Project Site Definition

The LLT(e) RFP currently defines Project Site as all Properties on which the proposed LLT Energy Project is to be located, excluding any Connection Line.

- The IESO would like to understand whether this should be updated to consider other impacts of hydro projects (e.g., flood zones) that will be known at the time of Proposal Submission Deadline.
- For the purposes of applying for Crown site release, Xeneca supports the OWA position that projects site plans and project shape files should be defined by the proponent with flexibility to amend, particularly if the project may be altered through EA processes and constraints placed by regulatory agencies. MNR should also be flexible in its definitions as construction may require lay down (work/storage areas) similarly those work sites may need to be reactivated during future maintenance or upgrade activities.
- Further, it should be recognized some single projects (cascading and/or sharing a common connection point) may include more than one project site. Flexibility should be offered to “group projects” in one contract if there is limited/restricted connection and long (more than 20 km) of connection line is required.
- In certain instances these 2 or more sites (long line connections or located kms apart) may be most feasible if done by sharing a connection line and having both sites approved as neither site would be economic without sharing certain costs (e.g. line costs). In the event the IESO does not permit a single contract, we would suggest the IESO permit multiple applications to be linked such that the developer does not risk approval of only one site. This would create a more cost effective process for the developer and allow the IESO and ratepayers to benefit from the savings.

•

Is there any other feedback regarding access rights that the IESO should be aware of?

It is imperative that MNR's Crown land application process be streamlined and aligned with the launch of the LLT procurement.

MNR has had significant past challenges in assessing and/or ceding access rights for waterpower. Given MNR's commitment to other major infrastructure such as ring of fire, resources may be strained. Under the FIT program MNR forced numerous delays in determining site access. Some delays were years long and in other cases site tenure was never ceded despite projects achieving all milestones including completed environmental assessments and demonstrated first nations support/partnerships. Concerns remain that the Ministry will again be challenged in completing its site release processes in a timely manner and thereby put projects at risk. Given the tight timelines between LLT launch (March 2026) and bid (Q 4, 2026) IESO is strongly urged to create a joint IESO-led/ Ministry of Energy, MNR decision-making team specifically to review and ensure timely access rights are ceded.

## Periods of Reduced Water Availability (Energy)

Do you have any feedback on the proposed approach for mitigating financial impacts in instances of high-market pricing where Facility production is impacted by conditions outside of the Suppliers' control?

As developers, we acknowledge that certain risks are rightfully placed upon the developer as the developer is in a position to control and manage/mitigate the risk coming to fruition. However, in this instance, where the condition is outside of the Suppliers' control, the Supplier has done nothing wrong and cannot modify their behavior and so we do not support open ended liability as such risks necessarily increase the risk premium associated with the project. We also understand the long history of utilities not being able to "guarantee" operation.

Therefore, we think any risk to the Supplier should be capped at a small amount so the Supplier can manage their exposure. The ratepayer would unfortunately pick up the cost, but a localized cost would have little impact on the price paid by the ratepayer. In such instances, this would be less costly than Suppliers incorporating open-ended potential risks into their underlying pricing models used for bidding into the IESO process.

## Regulation Service Readiness Requirements

Do you have any feedback on the proposed regulation service readiness requirements?

## Prescribed Forms

Do you have additional feedback to share on the draft Prescribed Forms?

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

## General Comments/Feedback

Do you have additional feedback to share with the IESO?

Connection/Deliverability:

Xeneca recommends that IESO work with HONI to resolve system constraints through the following:

That IESO, HONI LDCs work directly with proponents to resolve system constraints i.e. if new/additional transformers or other connection equipment is required, apply a cost test. If a 75 kilometer connection line is required at cost of 10 million, but a 1 million TX upgrade would shorten connection distance by half, the generator would be provided the option to pursue the less costly option thereby reducing overall costs to the project and, ultimately, the system.

Xeneca shares the OWA concern about the opaqueness of the IESO's approach to the establishment of a "reserve price" for the LLT-e procurement and, in particular, the consistent reference to the LT2 procurement as a potential reference point. The attributes and value of technologies procured through LT2 differ considerably from hydroelectricity. We join OWA in recommending that key considerations in the formulation of such a reserve price include:

- The results of the most recent IESO competitive procurement of hydroelectric projects through the 2016 Large Renewables Procurement as represented by the published approximate weighted price range;
- Application of appropriate inflation indices from award of contract through contract lifespan
- The unique values perpetual hydroelectric assets provide to the electricity system and to local/regional/provincial economies;
- Hydroelectric bids into recent IESO Long-Term procurements; and
- Current rate-regulated new hydroelectric developments.