

Feedback Form

Long Lead-Time RFP – March 26, 2026

Feedback Provided by:

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Date: April 14, 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 March 26th 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 Long Lead-Time 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 April 15, 2026.

Section 1: Stakeholder Engagement Materials

Supply Chain Disclosure Plan & Related Incentives

Do you have any feedback on the proposed plan or additional incentives?

Do you have any feedback on the proposed mechanism to address failure to meet committed percentage of Canadian content?

The OWA supports the IESO’s proposed framework to “Supply Chain Incentives” – i.e. relating the “Committed Canadian Content Percentage” to an adjustment to the Evaluated Proposal Price. We note, however, that the achievement of a 100% threshold of sourcing the total cost of Construction Materials and Construction Labour from Canadian Materials and Canadian Construction Labour Suppliers in order to achieve the maximum adjustment would be particularly challenging. As such, we propose a minor amendment, to be more realistic, as follows:

Committed Canadian Content Percentage	Evaluated Proposal Price Reduction
≥ 90%	3.0%
≥80% but less than 90%	2.5%
≥70% but less than 80%	2.0%
≥60% but less than 70%	1.5%
≥50% but less than 60%	1%
Less than 50%	0%

Access Rights: Requirements

Do you have any feedback on the proposed requirements?

The OWA supports the approach to both provincial and federal Crown land access determinations, as outlined in the presentation. We note that the Ministry of Natural Resources published its updated “Public Land Site Report” (PLSR) on April 1st, enabling proponents to begin this process in advance of the launch of the procurement.

Reserve Price

Do you have any feedback related to the attributes that are being considered as part of the calculation of the Reserve Price? Please note: Stakeholders are encouraged to provide any supporting documents or reports that they would like the IESO to consider.

Are there any further items that you would like the IESO to consider (e.g., project financing impacts)?

Based on the OWA's engagement of prospective participants in the LLT-e procurement, the application of a "Reserve Price" remains a primary concern and has the very real potential to compromise this procurement.

As requested, however, we have attached our recently released report - Beyond Levelized Cost of Electricity (LCOE) A Multi-Criteria Analysis of Ontario Electricity Generation Options, prepared by Hatch. Overall, the results indicate that comparisons of technologies could be supported by integrating both cost-based and value-based comparative frameworks. Such an approach enables explicit trade off among affordability, reliability, sustainability, and long-term system resilience, in an evolving electricity system.

In addition, attached is "Evaluating the True Value of Hydropower", prepared by Power Advisory for Waterpower Canada, which notes that "the most common approach to comparing the economics of different supply options to meet future supply needs for the electricity grid does not truly represent the cost or value of long-term, reliable and capital-intensive resources such as hydropower".

Moreover, as we have previously noted, there is an inherent relationship between a bid price and the chosen inflationary index applied between the time of bid submission and commercial operation that is of particular relevance to these long lead-time projects. For example, using publicly available metrics, while over the last decade the Consumer Price Index has increased by 30%, Labour Construction Costs have increased by 40% and Fabricated Metal Products & Construction Materials have increased by 69%. These significant differences are particularly relevant to the Supply Chain Incentives approach proposed. The OWA will be providing data and information in this regard in a separate independent analysis and strongly encourages the IESO to consider alternatives to the CPI for long-lead time procurements.

As outlined in previous submissions, to reflect shared risk/benefits for changes in economic conditions outside of a proponents' control, and in addition to the CPI, we recommend a price formula that allows additional indices at financial close or prior to COD, such as Government of Canada (GoC) long-term bond rates for debt financing, steel products manufacturing, copper and foreign exchange rates. Proponent would have the ability to provide a bid price linked to these indices and determine the appropriate percentage of the bid price linked to these indices.

Deliverability

Do you have any feedback on the Proposed pre-deliverability activities?

Do you have any feedback to share on the Deliverability Testing approach and related guidance outlined in the presentation?

Please note that the IESO intends to post the Deliverability Test Methodology document to the LLT RFP website by mid-April.

The OWA supports the IESO's proposed approach to pre-delivery engagement and delivery testing and recommends that potential delivery is determined and made available as soon as possible following the results of the LT-2 procurement and well in advance of the due date for bid submission.

Regulation Services Readiness Requirements

Do you have any feedback on the Regulation Services Readiness Requirements?

No comment.

Withdrawal Capability Check Test

Do you have any feedback related to the Withdrawal Capability Check Test?

No comment.

General Comments/Feedback

Do you have additional feedback to share with the IESO?

Yes. The OWA would like to take this opportunity to address a comment raised during the engagement session in which some concern was raised with respect to municipal/community preparedness to host new waterpower projects.

There are more than two-hundred twenty waterpower facilities in current operation across the province, embedded in communities from Kenora to Cornwall. Most of these facilities have been in service for decades and many for more than a century. In dozens of Ontario communities, local waterpower is part of the very civic identity.

The OWA has, for several years, worked directly with individual municipalities (many of which own hydroelectric facilities) and representative organizations including the Association of Municipalities of Ontario, the Rural Ontario Municipal Association, the Northern Ontario Municipal Association and the Federation of Northern Ontario Municipalities.

We continue our positive and productive relationship with these organizations and have published an updated "Community Guide to Waterpower Development". As such, while we respectfully acknowledge the potential concern raised during the March 26th engagement, we do not agree with its premise.

Finally, and most importantly, we again strongly encourage the IESO to ensure that this initial LLT-e procurement of up to 1TWh does not “fail by design”. Adoption of our recommendations with respect to the establishment of a Reserve Price and consideration of alternative and more appropriate inflationary indices between contract award and project commissioning can significantly inspire investor confidence.

As outlined in the province’s Integrated Energy Plan – *Energy for Generations* “Ontario’s government has made it a priority to expand the province’s hydroelectric resources which, while requiring significant upfront investment and long lead times, become multi-generational assets, providing decades of non-emitting electricity, system flexibility, and economic benefits.”

As such, we recommend that should the proposed LLT-e target of 1TWh (200-250MW) of new hydroelectric generation not be achieved through this procurement as a result of one or more of the core design features (timelines, reserve price, indexation), any remaining MWh should be set aside for hydro resources in a subsequent LLT-e procurement. In order to support this, the OWA proposes to work with MNR and the IESO to track the volume and aggregate capacity of PLSRs submitted in comparison with projects bid into the initial LLT-e, to help inform potential future procurement targets.

Section 2: RFPs, Contracts and Prescribed Forms

Do you have additional feedback to share with the IESO in relation to the updated RFPs, Contracts and Prescribed forms that will be posted to the website on April 1, 2026?

Please use the table below to provide specific feedback.

Document	Section Reference	Feedback