



MAY 27, 2025

Long Lead-Time Resource Procurement Webinar for Indigenous Communities and Municipalities

**Thank you for joining today's session
Please keep your cameras off and microphones muted**



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Ben Weir, Senior Manager, Resource Development and Procurement

Dave Barreca, Supervisor, Resource Acquisition, Resource Development and Procurement

Danielle D'Souza, Senior Advisor, Resource Acquisition, Resource Development and Procurement

Territory Acknowledgement

The IESO acknowledges the land we are delivering today's webinar from is the traditional territory of many nations including the Mississaugas of the Credit, the Anishnabeg, the Chippewa, the Haudenosaunee and the Wendat peoples and is now home to many diverse First Nations, Inuit and Métis peoples. We also acknowledge that Toronto is covered by Treaty 13 with the Mississaugas of the Credit First Nation.

As we have attendees from across Ontario, the IESO would also like to acknowledge all of the traditional territories across the province, which includes those of the Algonquin, Anishnawbe, Cree, Oji-Cree, Huron-Wendat, Haudenosaunee and Métis peoples.

Agenda

1. Meeting Electricity Needs and the Critical Role of Communities
2. Long Lead-Time Resource Procurement Overview
3. RFP and Contract Design Considerations
4. Discussion & Next Steps

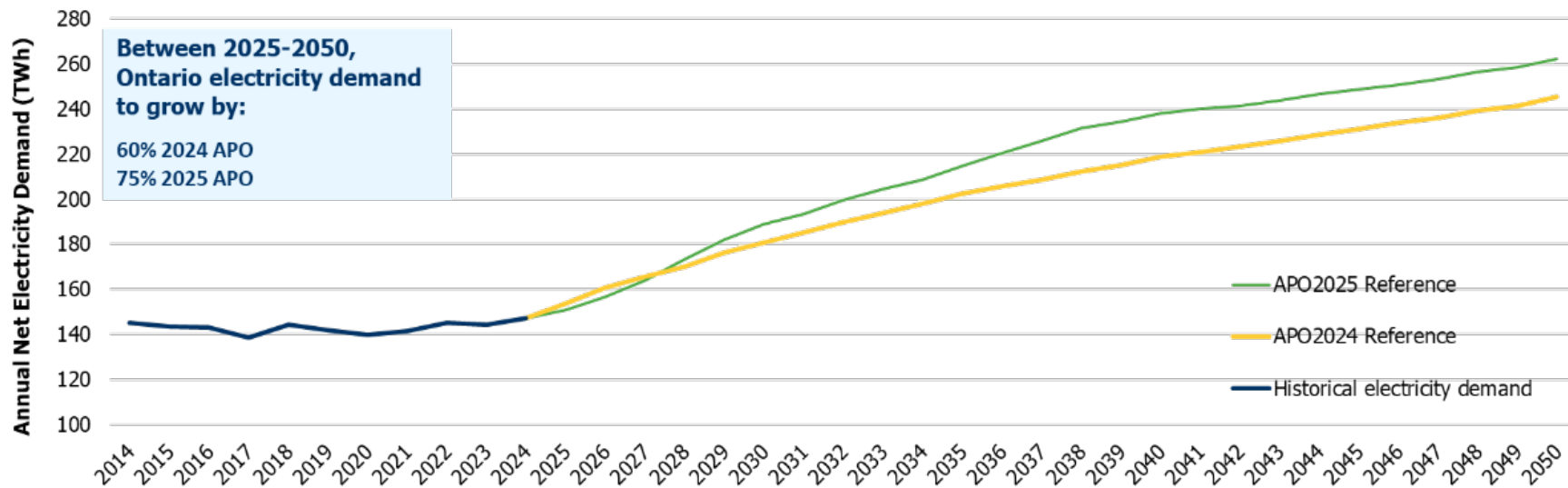


Meeting Electricity Needs and the Critical Role of Communities

Ben Weir, Senior Manager, Resource Development and Procurement

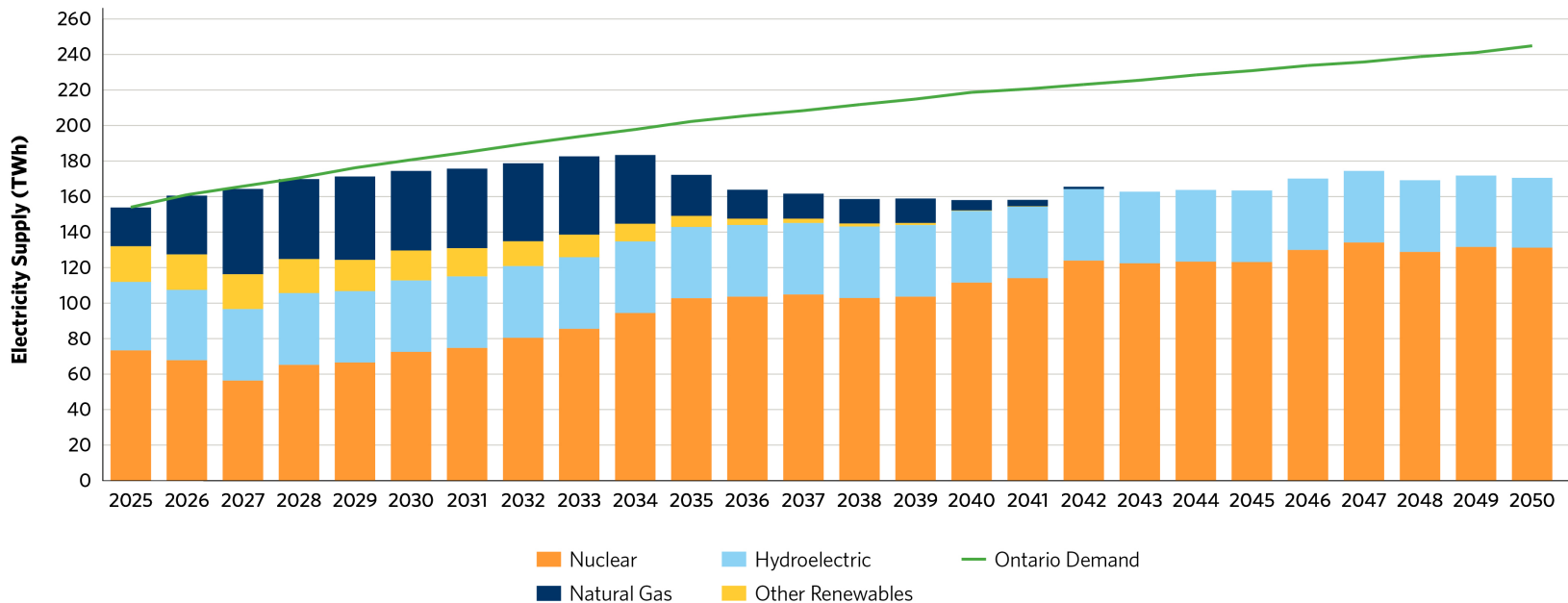
Ontario's Changing Electricity Landscape

Ontario Electricity Demand Historical and Forecast



Energy Supply

Energy Adequacy Outlook



Addressing Electricity Needs

To address the emerging needs, a multi-pronged approach is being implemented to maintain our reliable, affordable and sustainable electricity system, key details include:



Largest energy storage procurement in Canada: Ontario's electricity needs for this decade have been successfully met, 3,658 MW of capacity secured through previous procurements.



More procurements on the way: Needs emerging in 2029-2030 will be addressed through the Long-Term 2 Request for Proposals (LT2 RFP).



Supporting the expansion of nuclear and transmission: Five new transmission lines are under development that will allow more power to flow into the region from large generators located elsewhere, and setting up the groundwork for new nuclear development.



New electricity trade agreement with Quebec: A new trade agreement with Hydro-Québec that will optimize the use of existing electricity generation capacity.



Several other initiatives are planned or underway: Northern Hydro Program, Small Hydro Program, medium-term RFPs, procurement for long lead time resources, annual Capacity Auction, and enhanced energy efficiency opportunities.

Active and Upcoming Procurements

Mechanism	Key Details
Medium-term Procurements	Secures existing energy and capacity resources 5-year periods Medium-Term 2 RFP is in evaluation period
Long-term Procurements	Secures new build energy and capacity resources Draft Long-Term 2 RFP will consist of multiple submission windows, administered annually; documents for window 1 are currently posted for stakeholder feedback
Capacity Auction	Acquires short-term capacity needs from existing resources Executed annually at year-end
Small Hydro Program	Secures existing hydroelectric facilities under 10 MW Program open and accepting applications
Northern Hydro Program	Secures existing hydroelectric facilities over 10 MW Program under development
Local Generation Program	Program under development with a goal to secure existing and new small-scale resources
Long Lead Time Resources	Procurement for projects with long-lead times Procurement under development

Communities Have a Key Role

Significant electricity system needs are expected over the next decade, and communities have a key role, including:



Informing electricity planning to ensure a reliable and adequate supply.



Shaping the province's energy transition by ensuring the system is prepared for future needs.



Hosting new generation, transmission and storage.



Working with project developers on the applicable approvals, and partnerships, where applicable.



Long Lead-Time Resource Procurement Overview

Dave Barreca, Senior Manager, Resource Acquisition

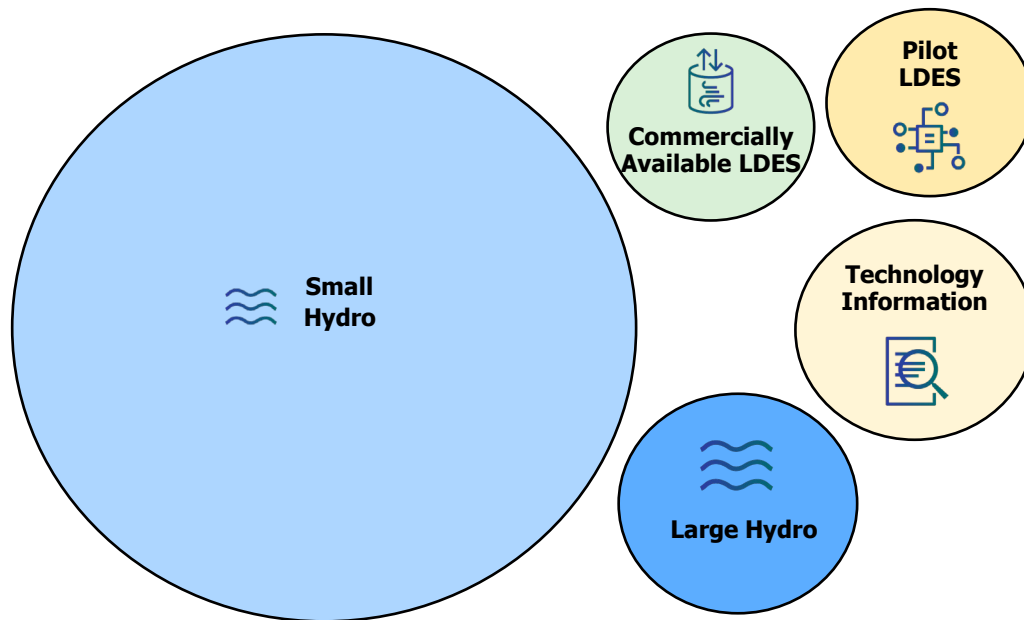
Background

- To meet needs in the 2030s and beyond, new supply resources will be required. Work is underway to meet these needs through the Long-Term 2 RFP and future long-term procurements, and new and refurbished nuclear facilities.
- The Long Lead-Time (LLT) Resource Procurement provides an opportunity to procure additional resources that can be available starting in the mid-2030s to promote an even more diverse supply mix and further enhance system reliability.
- The IESO is currently developing an RFP to secure long lead-time resources using the LT2 RFP as a base. The procurement design will require Government policy direction on key areas.
- IESO will report back to the Ministry of Energy and Mines this summer.
- **Your feedback is integral.** Procurement design will be informed by input from Indigenous communities, municipalities, and stakeholders.

Request for Information (RFI) Overview

- In September 2024, the IESO launched a Request for Information (RFI) focused on long lead-time resources, in particular LDES and hydroelectric generation, which closed on November 1, 2024
- The intent of the RFI was to gather information to better understand how long lead-time resources can participate in current and future IESO procurements for electricity resources and contribute to a reliable and efficient electricity system in Ontario.
- Stakeholder participation in the RFI was helpful for the IESO to understand potential projects and to consider the risks/challenges developers anticipate facing in a future IESO procurement for long lead-time resources.

Long Lead-Time Resources RFI: Results

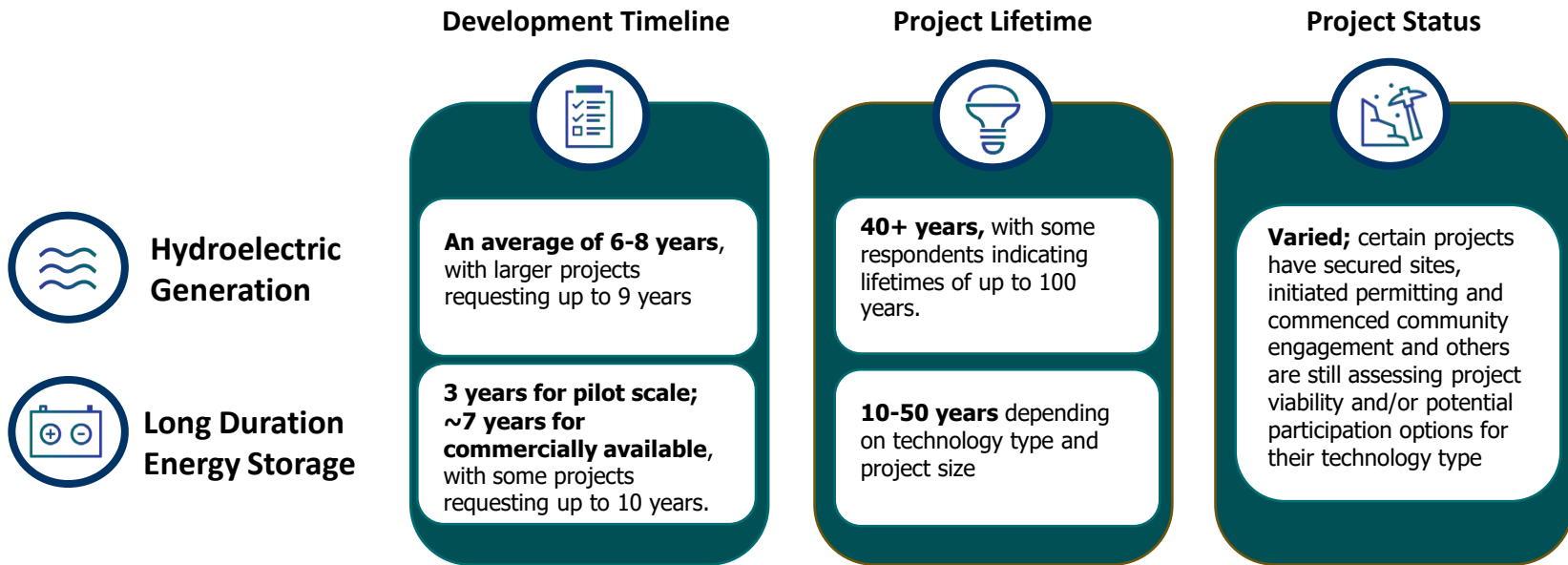


- 49 small hydro project submissions (some in respect of the same proposed project sites)
- 10 large hydro project submissions
- 8 submissions related to commercially available LDES technologies
- 7 submissions related to pilot LDES technologies
- 9 submissions that provided information from technology providers with novel LDES technologies looking to partner with developers on future potential projects

*Note: Additional projects were submitted for informational purposes only and have not been included in the tallies above

Long Lead-Time Resources RFI: Results (2)

The following is an overview of key project details that were considered:





Long Lead-Time Resource Procurement Design Considerations

Danielle D'Souza, Senior Advisor, Resource Acquisition

Overarching Principles

The IESO will be guided by the following principles in designing the LLT:

Provide clarity on key design elements to enable project development

Certainty

Competition

Separate energy and capacity streams

Targets established based on system needs and market insights

Implement measures to ensure project pricing is competitive (e.g., price ceiling)

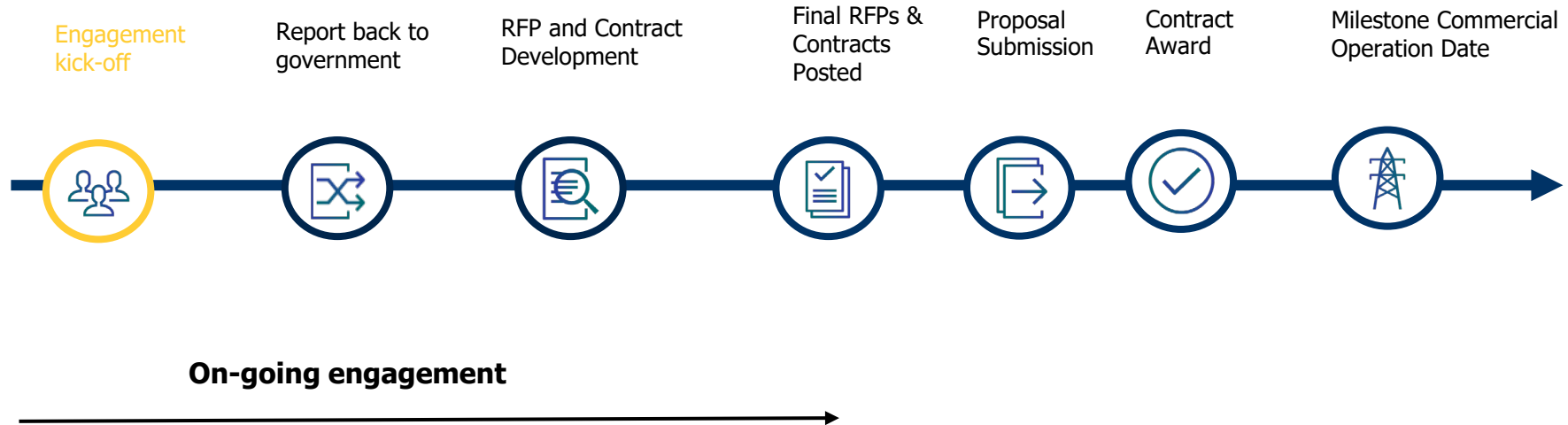
Cost-Effectiveness

Efficiency

LT2 design as a baseline and only make changes necessary to enable participation of long lead-time resources

Illustrative Procurement Milestones

Procurement milestones and associated timelines for LLT are under development:



Resource Eligibility & Term Length

Resource Type	Key Considerations/Proposed Design	Term Length & Commercial Operation
Hydroelectric generation 	• Projects must be equal to or greater than 1 MW and capable of being registered as a market participant • IESO has received feedback requesting consideration for hydro redevelopments, expansions and upgrades to participate	• Successful proponents will be offered contracts with a 40-year term length • A lead time of up to 8 years is being proposed for proponents to begin/continue developing a proposed project post the expected date for contract award
Long duration energy storage (LDES) 	• Projects must be equal to or greater than 1 MW and capable of being registered as a market participant • The procurement will be open to commercially proven LDES resources only • IESO will work with stakeholders to develop a list of eligible technology types	

Potential Mandatory Requirements

The following requirements apply under the LT2 RFP. The IESO expects these requirements to remain substantially the same as part of LLT Resource Procurement, however, is open to feedback on any changes that may be necessary:

Team Member Experience	Proponents must demonstrate experience in Planning, Developing, Financing, Constructing and Operating electricity generation or storage projects.
Minimum Project Size	The project must have a nameplate capacity equal to or greater than 1MW and be capable of becoming a registered facility under the Market Rules.
Minimum Duration	(Capacity Stream only) - the facility must be capable of delivering a continuous amount of Electricity for at least 8 consecutive hours during Qualifying Hours.

Policy Considerations: Mandatory Requirements

The following mandatory requirements currently apply under the LT2 RFP:

Municipal/Indigenous Support Confirmations	Obtain support where the project is proposed to be located, in whole or in part, on Municipal or Indigenous Lands.
Project Site Restrictions	Projects cannot be located on a Specialty Crop Area.
Requirements for projects located in Prime Agricultural Areas (PAA)	Where the project is proposed to be located in a PAA, the proponent is required to: (a) at the time of proposal submission, confirm that the AIA Component One Requirement has been met to the satisfaction of the Local Municipality (b) post contract award, complete the AIA Component Two and Three Requirement to the satisfaction of the Local Municipality

Policy Considerations: Rated Criteria

The following rated criteria categories currently apply under the LT2 RFP :

Indigenous Community Participation	(up to 3 points) - recognizes projects with an Indigenous Participation Level of greater than 10%.
Local Indigenous Community Participation	(up to 3 points) - recognizes projects that are located on Indigenous Lands, or lands within the treaty area of an Indigenous Community that holds an economic interest in the Proponent of at least 10%.
Projects sited in a territorial district of Northern Ontario (3 points)	
Projects sited outside of Prime Agricultural areas (3 points)	

Bulk System Planning & Long Lead-Time Resources

- The IESO conducts bulk system planning to ensure Ontario's electricity system is sufficient to meet long-term needs. This includes ensuring the transmission system can accommodate sufficient resources to meet growing provincial resource adequacy needs.
- Proponents are encouraged to participate in upcoming bulk system planning engagements over the next few months to understand ongoing studies for future transmission expansion throughout Ontario and provide information regarding potential LLT projects for further consideration.
- Locational information on potential resource projects will help inform the scope of transmission expansion options that will be evaluated and the future resource scenarios that will be considered for determining the economics of various reinforcement options.
- For further updates please subscribe to the [IESO Weekly Bulletin](#).



Discussion & Next Steps

Next Steps



We'll begin the Q&A shortly to hear your insights on today's materials and answer any questions you may have.



The **IESO invites written feedback by June 17, 2025**. All written feedback should be submitted to engagement@ieso.ca.



For the LLT Resource Procurement the IESO will continue engaging prior to the release of final RFP and contract.



To stay informed, please subscribe to receive email communications at www.ieso.ca/subscribe.

Question and Answer Period

Your insights are important. The IESO is hoping to understand:

- How can the IESO better support Indigenous communities and municipalities to make decisions about proposed projects?
- Are there additional engagement considerations that the IESO should be aware of for long lead time projects?
- Are there any concerns with the proposed design considerations and how these may impact Municipalities and/or Indigenous communities?

Next Steps



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Thank You

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