



Long Lead-Time Request for Proposals (LLT RFP)

Part 1 – Overview

November 12, 2025

Territory Acknowledgement

The IESO acknowledges the land from where we are delivering today's webinar is the traditional territory of many nations including the Mississaugas of the Credit, the Anishnabeg, 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 the traditional territories across the province, which include those of the Algonquin, Anishnabeg, Ojibwe, Cree, Oji-Cree, Huron-Wendat, Haudenosaunee, Métis, and Inuit peoples.

Agenda

Part 1 – Overview – 10:00am to 10:45am

1. Meeting Electricity Needs and the Critical Role of Communities
2. Long Lead-Time Request for Proposals (RFP) Overview and Design Considerations

Part 2 – Targeted Discussions – 10:45am to 11:45am

- Group A: Indigenous community focused session to discuss relevant RFP details and Q&A
- Group B: Municipal focused session to discuss relevant RFP details and Q&A

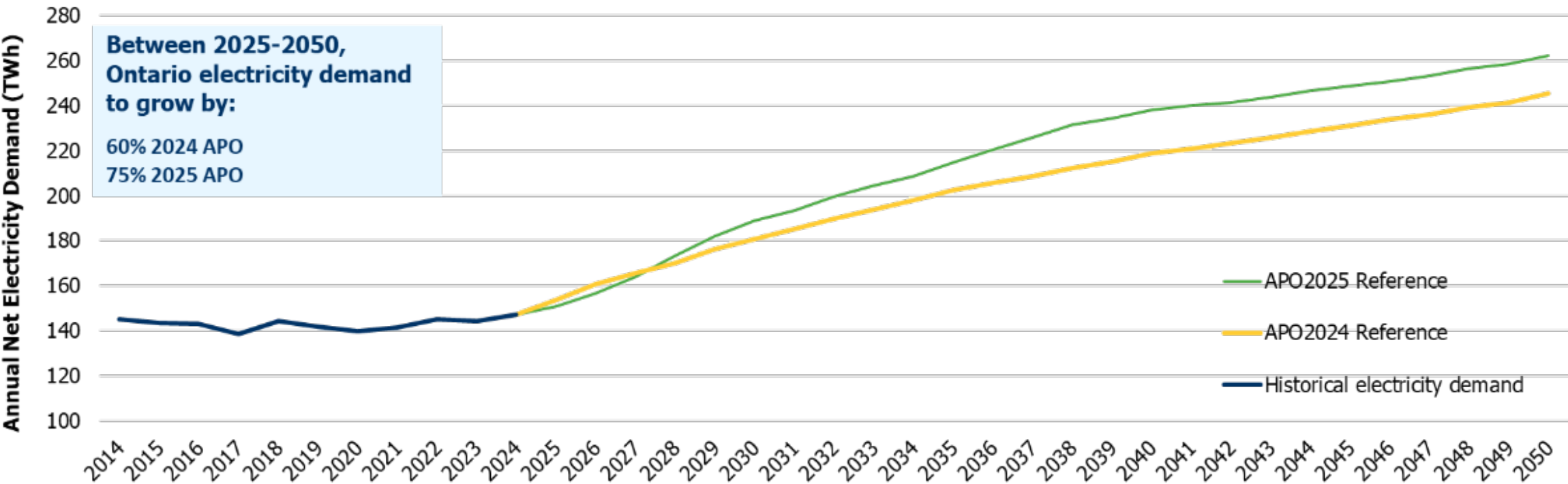


Meeting Ontario's Electricity Needs and the Critical Role of Communities

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

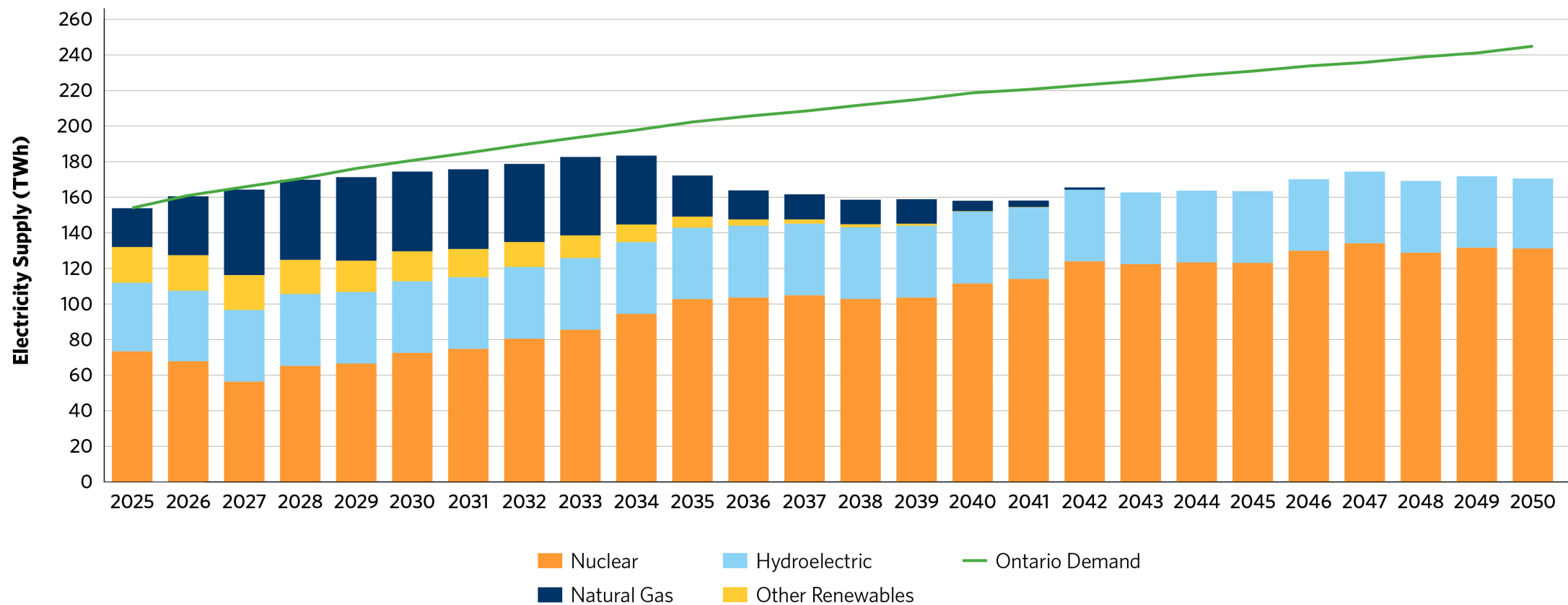
Ontario's Changing Electricity Landscape

Ontario Electricity Demand Historical and Forecast



Energy Supply

Energy Adequacy Outlook



Electricity Supply Resources

Ontario's electricity grid requires a diverse supply of resources to ensure electricity demands are met and that the system maintains its reliability.

	Biofuels	Uses residual materials from forestry, agriculture, and other waste products that are readily available for use.
	Energy Storage	Supports the wide-scale integration of renewable resources, such as wind/solar; a video and a webpage explain energy storage benefits (i.e. supports the integration of renewable resources, spurring economic development and providing back-up power during emergencies).
	Hydroelectric	Hydroelectricity is generated by falling or moving water. Expected to contribute to meeting emerging needs through existing as well as incremental energy. These resources require significant time for new-build development; new resources are eligible for both the LLT RFP and the LT2 RFP. However, the IESO is also considering whether redevelopments will be eligible for the LLT RFP.
	Natural Gas	Provides operational flexibility to respond to changing electrical needs throughout the day and across the province (i.e. heat waves; as other renewables are built, and as new builds and refurbishments to the nuclear fleet are completed, natural gas will decrease).
	Wind and Solar Photovoltaic	Produces electricity intermittently i.e. when the wind blows and the sun shines; variable generation will be important as electricity use patterns change i.e. peak demand periods are expected to shift from summer to winter; can be developed in 4-5 years of contract issuance.
	Cogeneration	A system that generates electricity and captures the heat typically wasted during electricity generation repurposed for heating needs, or for generating additional electricity.

Addressing Electricity Needs

Today's system won't meet the electricity needs projected for 2050. We will all need more electricity and must work together to secure by using a multi-pronged approach:



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 recently launched first window of the LT2 RFP and future windows of the LT2 RFP in the coming years.



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, and enhanced energy efficiency opportunities.

Communities Have a Key Role

Municipalities and Indigenous communities are critical to helping meet future electricity system needs and ensuring that Ontarians have access to electricity when and where they need it in order to keep our economy powering forward by:



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.

Active and Upcoming Procurements

Mechanism	Timing / Expected In-Service Date	Key Details
Medium-Term Procurements	- Ongoing - Existing resources that are already in service	Secures energy and capacity resources that are either off-contract or with expiring contracts for 5-year periods
Long-Term Procurements	- Ongoing - Resources to be brought online as early as 2029	Secures new build energy and capacity resources LT2 RFP will consist of multiple submission windows, administered across the next 4 years.
Capacity Auction	- Ongoing - Mostly existing in-service sources of capacity	Acquires short-term capacity needs from existing generation and load resources Executed annually at year-end
Small Hydro Program	- Ongoing - Existing resources that are already in service	Secures existing hydroelectric facilities less than 10 MW Program open and accepting applications
Northern Hydro Program	- Expected to be launched in 2026 - Existing resources that are already in service	Secures existing hydroelectric facilities more than 10 MW Program under development
Long Lead-Time Resources	- Under development, procurement launch to follow Ministerial direction - Resources to be brought online as early as 2032	Procurement for projects with long-lead times Procurement under development



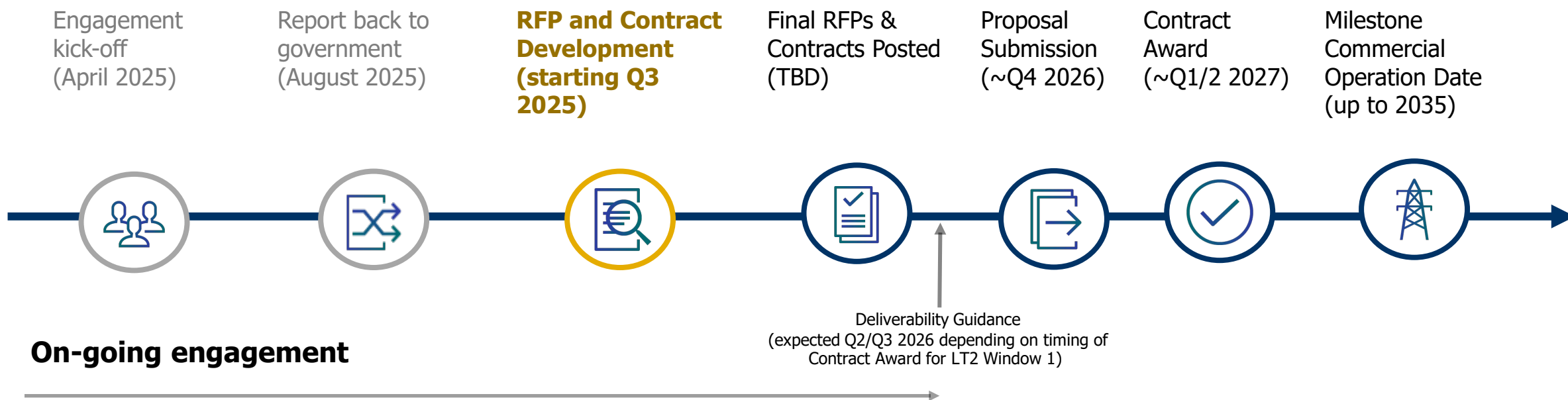
Long Lead-Time Request for Proposals - Overview and Design Considerations

Background

- At the end of 2024, [the government requested the IESO](#) to report back on considerations for a proposed separate procurement for long lead-time resources; this report was submitted in August 2025, which included recommendations for the design of a Long Lead-Time Request for Proposals (LLT RFP).
- 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.
- The **LLT RFP provides an opportunity for Ontario to procure resources that can be available starting in 2035 in order to promote an even more diverse supply mix** and further enhance system reliability.
- Long lead-time resources are those that require five or more years to develop, and as such cannot participate in other opportunities such as the LT2 RFP.
- **Your feedback is integral.** Procurement design will be informed by input from Indigenous communities, municipalities, and stakeholders.

LLT RFP Timelines

Procurement timelines are under development and will need to be co-ordinated with activities related to window 1 of the LT2 RFP.



The timelines presented above are approximate and are subject to change depending when final policy direction is received from the Ministry, and when final RFPs and Contracts are posted.

LLT RFP - LT2 RFP Comparison

The LLT RFP and Contract will use the LT2 procurement documents as a baseline, as such, many elements are expected to remain relatively consistent. Both procurements are intended to contract resources to meet future reliability needs.

The following are key changes that will apply:

	LLT	LT2
Timing	Future procurement that is to be launched in 2026	Procurement currently underway with contracts for window 1 to be awarded in 2026
Administration	Currently proposed to be a single procurement window	Multiple successive procurement windows
Eligibility	New Build Hydro and certain eligible LDES resources	Technology agnostic; window 1 open to New Build resources
Project Lead Time	5 or more years	Less than 5 years
Contract Term Length	40 years	20 years

LLT RFP Design Overview

The LLT RFP is being designed to encourage competition and to balance risk between ratepayers and developers, including:

- **Mandatory requirements** that will provide assurance that the proposals evaluated by the IESO are from Proponents that are best positioned to deliver on contractual obligations (e.g., Team Member Experience)
- **Rated criteria points** that may incentivize certain technical attributes or policy considerations
- **Incorporating a policy framework consistent with government direction**, which is expected to include Indigenous and community engagement requirements
- **Deliverability testing** that ensures electricity produced from successful projects can effectively contribute to meeting Ontario's reliability needs

LLT RFP High-Level Design Recommendations

The IESO is still awaiting a formal Government Directive outlining timelines and foundational requirements, preliminary feedback was shared in the August 2025 report back.

Design Area	IESO Recommendation
Procurement Design	Procurement should be bifurcated into separate Energy and Capacity streams.
Procurement Target	Energy stream: Up to 1 TWh Capacity stream: 600 to 800 MW; the IESO is considering a maximum of 100 MW procured from Liquid Air and Pumped Thermal Energy Storage Projects
Contract Term	Energy and Capacity streams: 40 years
Resource Eligibility	Energy stream: New-build hydroelectric facilities (note: the IESO is still considering extending eligibility to include redeveloped hydroelectric facilities) Capacity stream: New-build long duration energy storage (LDES) facilities only
Minimum Project Size	Energy stream: 1 MW The IESO is considering a higher minimum project size under the capacity stream to encourage participation from commercial scale projects

LLT RFP Resource Eligibility

While many resource types may require a construction timeline > 5 years, for the LLT RFP, long lead-time resources have been scoped to include commercially proven and late-stage emerging technologies that are currently operating in North America, Europe, Japan or Australia:



Hydroelectric Generation Facilities

- **Run-of-the-river** hydroelectric generation facilities as well as those capable of some **reservoir storage**



Long-Duration Energy Storage Facilities

- **Compressed Air Energy Storage:** a system that pressurizes air to store potential energy
- **Pumped Hydroelectric Storage:** a system that uses the pumping and release of water between two reservoirs at different elevations to store and retrieve kinetic energy
- **Liquid Air Energy Storage:** a system that uses electricity to liquefy air and save the released thermal energy in a high-grade thermal vessel
- **Pumped Thermal Energy Storage:** a system that converts electricity into heat which is stored as thermal energy and later converted back into electricity via reversible thermodynamic cycles

LLT RFP Mandatory Requirements

- Mandatory requirements for the LLT RFP are expected to be similar to the LT2 RFP. These requirements provide assurance that proposals evaluated by the IESO are from Proponents who are best positioned to deliver on contractual obligations, and may include, but are not limited to the following:
 - **Proposal security** to ensure projects can demonstrate financial wherewithal
 - **Minimum experience** requirements for project team members
 - **Confirmation of access rights** to properties within a project site
 - **Policy requirements** consistent with government direction, which is expected to include support confirmations

Policy-Related Considerations (1)

Policy-related requirements for the LLT RFP will be confirmed via ministerial direction and may be similar to the LT2 RFP. As a reminder, the following requirements apply under the LT2 RFP:

Design Area	Requirements
Municipal and Indigenous Community Support Confirmations	• All projects located, in whole or in part, on Municipal or Indigenous Lands are required to obtain a support confirmation ahead of Proposal Submission to ensure that only projects endorsed by their local communities are awarded an IESO Contract
Projects in Specialty Crop Areas	• Projects must not be located in specialty crop areas
Projects in Prime Agricultural Areas	• At the time of proposal submission, Proponents must confirm that the AIA Component One Requirement has been met to the satisfaction of the Local Municipality • Post contract award, complete the AIA Component Two and Three Requirement to the satisfaction of the Local Municipality
Projects on Crown Land	• Projects must be accompanied by a MNR Confirmation Letter

Policy-Related Considerations (2)

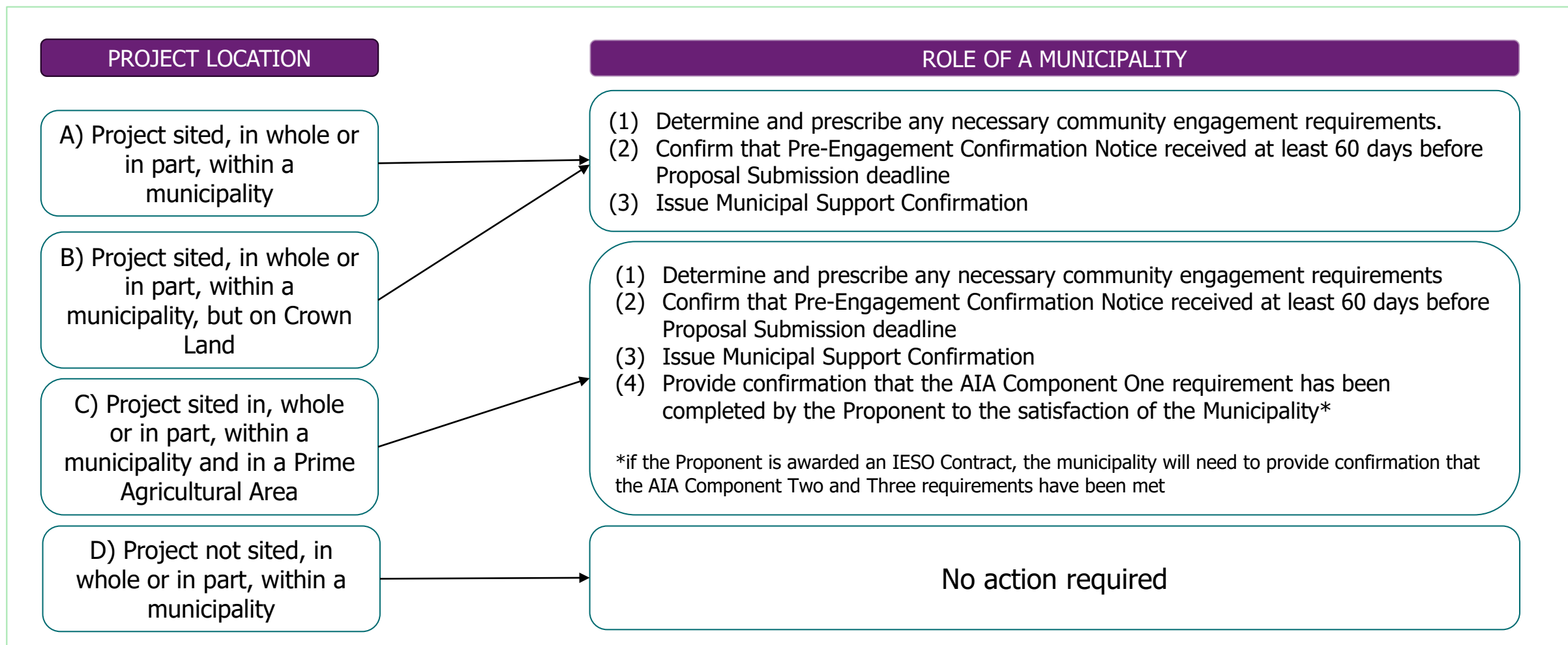
- Policy-related rated criteria for the LLT RFP will be confirmed via ministerial direction and may be similar to the LT2 RFP.
- Under the LT2 RFP, incentives also apply for Canadian Status Proponents.
- As a reminder, the following rated criteria apply under the LT2 RFP:

Rated Criteria Category	Description
Projects sited in a territorial district of Northern Ontario	
Projects sited outside of Prime Agricultural areas	
Indigenous Community Participation	recognizes projects with an Indigenous Participation Level of greater than 10%; maximum points are provided to projects that have a participation level equal to or greater than 50%.
Local Indigenous Community Participation	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%; maximum points are provided to projects that have a participation level equal to or greater than 50%.

Environmental Approvals and Permitting Requirements

- Environmental approvals and permitting requirements will be different across the resource types that are eligible to participate in the LLT RFP.
- For general questions related to environmental approvals and permitting, please reach out to the Client Services and Permissions Branch of the Ministry of Environment, Conservation and Parks (MECP) by using the following email: enviropresubmission@ontario.ca.
- For questions related to Renewable Energy Approvals (REAs), please contact the REA program delivery team: REAprogramdelivery@ontario.ca.

Recap of LT2 Process for Municipalities

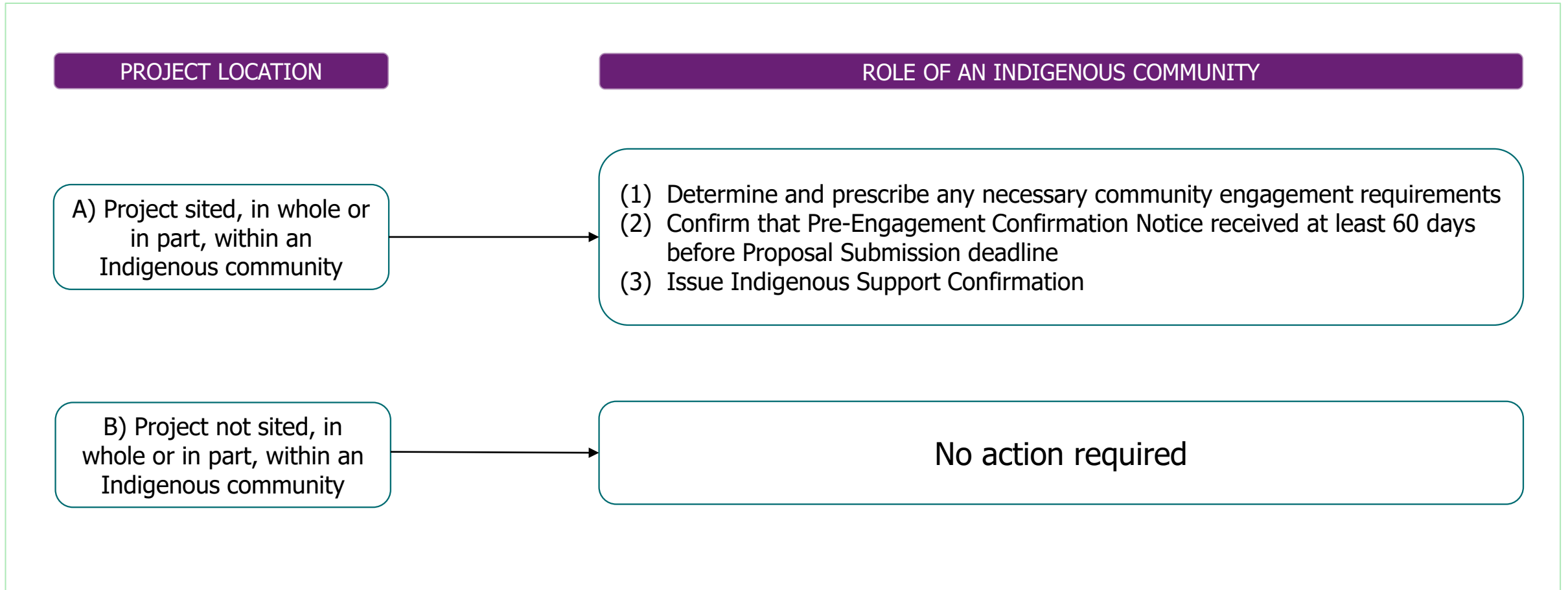


Key Feedback Requested from Municipalities

LLT RFP Timeline and Municipal Elections

- The proposal submission date for the LLT RFP is still to be determined but is expected to occur in Q4 2026, near the scheduled date for Ontario municipal elections (October 26, 2026).
- Subject to government direction, if requirements are aligned with the LT2 RFP, Proponents will be required to provide a signed Municipal Support Confirmation at the time of Proposal Submission.
- The IESO understands that municipal resources can become constrained in the period leading up to a municipal election, as such, the IESO is encouraging Proponents to begin the engaging with municipalities and other impacted groups as early as possible and is looking for feedback regarding timelines for issuing Municipal Support Confirmations in 2026.

Recap of LT2 Process for Indigenous Communities



Key Feedback Requested from Indigenous Communities

Indigenous Equity Partnerships

- The IESO has received stakeholder feedback related to the timing of Indigenous equity partnerships.
- Under the LT2 RFP, to qualify for rated criteria points, Proponents must provide written evidence documenting the Economic Interest in the Supplier that is held by the applicable Indigenous Community(ies) or Indigenous Holding Vehicle at the time of proposal submission; rated criteria that would apply under the LLT RFP are still under consideration.
- Given the large capital cost related to certain projects that may participate in the LLT RFP, and the extended lead times for project development, the IESO would like to understand how this may impact Indigenous Participation.



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 December 3, 2025**. All written feedback should be submitted to engagement@ieso.ca.



The IESO will continue engaging prior to the release of final LLT RFP and contract.

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



Thank You

STAY INVOLVED

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CONTACT

- ✓ IndigenousRelations@ieso.ca
- ✓ CommunityEngagement@ieso.ca

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