

Indigenous Community Feedback and IESO Response

Long-Term 2 RFP (LT2 RFP) – July 30, 2024

Following the July 30, 2024, Community webinar, the Independent Electricity System Operator (IESO) invited Indigenous Communities and municipalities to provide feedback on key LT2 RFP aspects, including new recommended approach for community engagement. The IESO is currently in the design stage of the LT2 RFP. Feedback is posted on the Long-Term RFP [community engagement webpage](#). Please reference the feedback forms for specific feedback as the information below is provided in summary.

Note on Feedback Summary and IESO Response

The IESO appreciates the feedback received from communities and stakeholders. The tables set out below respond to the feedback received and are organized by topic.

Disclaimer

This document and the information contained herein is provided for informational purposes only. The IESO has prepared this document based on information currently available to the IESO and reasonable assumptions associated therewith. The IESO provides no guarantee, representation, or warranty, express or implied, with respect to any statement or information contained herein and disclaims any liability in connection therewith. The IESO undertakes no obligation to revise or update any information contained in this document as a result of new information, future events or otherwise. In the event there is any conflict or inconsistency between this document and the IESO market rules, any IESO contract, any legislation or regulation, or any request for proposals or other procurement document, the terms in the market rules, or the subject contract, legislation, regulation, or procurement document, as applicable, govern.

A) LT2 RFP Engagement

Feedback submissions communicated the need for transparency and greater involvement early in the process in order to help build an understanding for the LT2 RFP so that Indigenous communities may be instrumental in the decision-making process. Specific feedback is summarized below.

Feedback / Common Themes	IESO Response
<p>(a) The IESO should help ensure that Indigenous communities are involved early in the process. Well informed early engagement at every stage of the project development, even if not directly involved as project could be within their traditional territory.</p>	<p>(a) The IESO remains committed to engaging with Indigenous communities early in its procurement design and planning processes. These opportunities will include formal outreach, targeted webinars and individual meetings, as needed.</p> <p>As part of the LT2 RFP, the IESO strongly encourages proponents to engage with all potentially impacted Indigenous communities early and throughout the process of project development.</p>
<p>(b) Continued long term capacity building efforts:</p> <ul style="list-style-type: none">• Energy Champion position needed in each First Nation.• Supporting communities in energy literacy to further educate, then communities can provide feedback if needed.	<p>(b) Capacity funding will remain available through the IESO’s Indigenous Energy Support Program to support community capacity building and engagement, as well as the building of energy knowledge and awareness, and skills related to energy projects.</p>
<p>(c) The IESO must also develop a transparent Indigenous procurement policy.</p>	<p>(c) The IESO believes that Indigenous engagement and economic participation is critical to the success of electricity infrastructure projects in Ontario. As such, the IESO will seek to build on and evolve Indigenous support and engagement requirements with Indigenous communities. The IESO will continue to recommend to the Ministry of Energy and Electrification participation incentives, for each procurement, leveraging lessons learned from past procurements.</p>

B) LT2 RFP Rated Criteria

Indigenous communities provided recommendations to improve the criteria. Specific feedback is summarized below.

Feedback / Common Themes	IESO Response
<p>(a) Points for Indigenous participation:</p> <ul style="list-style-type: none"> A sliding scale on proximity should be created, a range factor from the project/treaty area. The further away the less criteria points, the closer more criteria points. 	<p>(a) The IESO is proposing that the mechanism for awarding Rated Criteria Points for Indigenous participation in the LT2 RFP be the same as that which was used in the LT1 RFP. That mechanism included granting additional points to projects partnering with communities that are local to the project (including those with treaty rights or on whose traditional territory the project is located).</p>
<p>(b) Rated Criteria should not be based on a “proximity model”.</p>	<p>(b) The IESO is proposing that the mechanism for awarding Rated Criteria Points for Indigenous participation in the LT2 RFP be the same as that which was used in the LT1 RFP. That mechanism included granting additional points to projects partnering with communities that are local to the project (including those with treaty rights or on whose traditional territory the project is located).</p>
<p>(c) Process that supports Indigenous participation:</p> <ul style="list-style-type: none"> Similar process as in the FIT/MICROFIT, price adders were provided to successful proponents who had FN partners. 	<p>(c) Price adders as seen in FIT/microFIT were an appropriate policy lever under a standard offer program. The LT2 will be a competitive procurement that utilizes rated criteria to evaluate proposals. The effect of rated criteria is that all else being equal, a proponent with Indigenous participation can be competitive with a higher proposal price than a similar proponent without indigenous participation.</p>

Feedback / Common Themes	IESO Response
<p>(d) IESO should include requirements and evaluation criteria during proposal reviews that:</p> <ul style="list-style-type: none"> • Would rate proponents’ willingness to provide support to potentially impacted First Nations. • Provide opportunities for equity shares in a project providing risks are attainable. • Create opportunities for partnerships with proponents and First Nations with land code management to host a project. 	<p>(d) The IESO encourages proponents to engage with Indigenous communities early and often throughout the procurement process, and the LT2 RFP has certain mechanisms to require such engagement where the project is proposed to be located on Indigenous Lands (e.g. an Indigenous Support Confirmation would need to be obtained and included within the proposal submission to meet the mandatory requirements related to the LT2 RFP). The LT2 RFP also contains certain rated criteria that incentivize Indigenous participation as noted above. Discussions and willingness to provide support to potentially impacted Indigenous communities outside of the LT2 RFP process and are at the discretion of the proponent as project owner.</p>

C) Support communities to make decisions on proposed projects

Indigenous communities provided recommendations on how to better support them in making decisions about projects. Specific feedback is summarized below.

Feedback / Common Themes	IESO Response
<p>(a) If there are any discrepancies in the level of information from the proponent/municipality then the community should also have the option to provide direct community feedback on the project to the IESO.</p>	<p>(a) The IESO welcomes ongoing Indigenous community feedback throughout the RFP process and will review and address accordingly within the bounds of the RFP and contract requirements. The IESO continues to work collaboratively with municipalities, proponents and Indigenous communities to help advance efforts toward project success.</p>

Feedback / Common Themes	IESO Response
<p>(b) Proponent shows:</p> <ul style="list-style-type: none"> • Proven working relationships and references listed in bids/proposals. • Involvement in successful projects, how much positive impacts previous projects have made to membership in related First Nation. • Level of detail in efforts to track and measure inclusion and participation. 	<p>(b) As part of the process to issuing an Indigenous Support Confirmation, Indigenous communities are encouraged to ask proponents for the details the community deems necessary to best understand the project and make the decision on whether or not to award the Support Confirmation.</p>
<p>(c) Reaching out to First Nations:</p> <ul style="list-style-type: none"> • To keep them informed on the projects, instead of hearing about them from proponents who want to be awarded projects. • Ensuring that the regional treaty partners are made aware and given chance to enter into partnerships with proponents and IESO. 	<p>(c) The IESO will continue to endeavor to ensure that communities are informed about upcoming procurements, procurement terms that are of interest to Indigenous communities, and energy/capacity needs in Ontario.</p> <p>Projects are proposed by independent power producers who submit project proposals to the IESO, at which point an Indigenous Support Confirmation (for example, if applicable) would need to have already been obtained and included within the proposal submission to meet the mandatory requirements related to the LT2 RFP. The IESO is only made aware of a project prior to proposal submission when a proponent reaches out to the IESO with specific questions, and even then, the IESO may only be provided with limited information.</p>

D) General Comments/Questions

Specific feedback is summarized below.

Feedback / Common Themes	IESO Response
<p>(a) Municipal support should be a mandatory requirement to begin operation with the proponent. All pertinent information should be included in the proposal to obtain the resolution. For example(s): a site plan, discussion setbacks regarding adjacent lands, environmental impacts, fire safety considerations, description of municipalities expected role with respect to emergency services in the area in question.</p>	<p>(a) Municipal support will be a mandatory requirement under the LT2 RFP where the Project Site is proposed to be located in whole or in part on municipal project lands. Correspondingly, Indigenous Support Confirmations will be required for projects proposed to be located on Indigenous lands and an endorsed Crown Land Site Report (CLSR) will be required for projects proposed to be located on Crown Lands.</p>