

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

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A) Streamline relevant processes

Municipalities provided perspectives regarding additional support the IESO could provide, key project aspects that should be considered before contracts are issued and flagged the importance of collaboration with the province and crown agencies to ensure the successful implementation of LT2 RFP projects. Specific feedback is summarized below.

The IESO could offer more support to municipalities in the form of:

- Having an IESO resource that municipalities can engage with.
- Participating in Council meetings to answer questions in a public forum.
- Sharing an inventory of professional consultants that municipalities can use.
- Offering proactive outreach to municipalities hosting projects.
- Ensuring clarity on the full process (i.e. procurement to construction) including all legislative process and how they differ by technology should be covered.
- More information around where opportunities may exist for proponents to streamline requirements between local and provincial approval processes.

The IESO appreciates this feedback and is committed to working with communities. Given the volume and geographic dispersion of potential energy-related projects across the province, the IESO has developed several resources/actions targeted to the needs of municipalities to ensure uniform access to information to aid municipal decision-making, including:

- A dedicated [community engagement webpage for LT2 RFP](#)
- Offering Community Engagement sessions for LT2 RFP and joint sessions with ministries
- Participating in municipal conferences to engage directly with municipal elected officials and staff
- Offering key points of contact through a dedicated email
- [Municipal Toolkit\(s\)](#) with educational resources for municipalities to build awareness and understanding of Ontario's electricity system, its growing needs and the important role of communities in our shared energy future

While we endeavor to engage with communities, and respond to inquiries expeditiously, the speed of response and availability of information will change once the final LT2 RFP documents are posted, and during the Proposal evaluation stage. During this period, the IESO may have limited ability to communicate directly with communities; however, the IESO will endeavour to continue supporting municipalities through general communications and public webinars.

The IESO continuously strives to improve our engagement practices and disseminate the most up-to-date information through its outreach and engagement efforts around its long-term procurements and welcomes feedback.

Before contracts are issued, the following should be included to aid with local decision-making processes:

- Initial site selection should be informed by some sort of pre-screening from a land use perspective before contracts are issued, as there is little merit in issuing contracts for locations where the use may not be appropriate or permitted through the approvals processes.
- A condition of the IESO's approvals should be the development and submission of a detailed decommissioning plan.

The IESO appreciates this feedback and recognizes that having proposed project site information early in the process can help municipalities as part of the decision-making process to determine if a Municipal Support Confirmation (which is a mandatory pre-submission requirement) will be issued. As part of the proposed Municipal Support Confirmation process a proponent would confirm the land use designation and zoning of their potential project site with the local governing body, as applicable.

Municipalities are encouraged to work directly with proponents to review available project details, understanding that specific project details are not always available or may still be evolving, to set expectations on minimum information required to request council support through the Municipal Support Confirmation. As the ultimate decision-making authority, municipalities can request and require as much project information as deemed necessary to provide their support.

Developing a decommissioning plan is a key component of the Renewable Energy Approval process as determined by the Ministry of Environment, Conservation and Parks. Given that decommissioning must be carried out in accordance with those processes, and since activities that are actioned as part of decommissioning would take place after the contract would be concluded, no conditions have been included in the RFP regarding decommissioning.

Feedback / Common Themes	IESO Response
<p>In collaboration with the provincial government and crown agencies, the IESO should work towards training and providing updated guidance and standards for energy projects, including renewable energy and/or energy storage projects for both proponents and municipalities. This important work will help avoid or minimize potential delays, duplication, and confusion and ensure a thorough and consistent approach in the review of such projects.</p>	<p>The IESO recognizes the importance of fostering close community engagement as the province and stakeholders work together to meet system reliability needs. Since the launch of LT2 RFP, the IESO has hosted four community webinars, including a joint webinar with Ministries to ensure a better understanding of the policy requirements pertaining to land-use and siting, attended eight municipal conferences, and shared three key updates to provide opportunities for municipalities and Indigenous communities to comment as the LT2 RFP design develops.</p> <p>The IESO’s role is to develop and administer procurements based on direction received from the Minister of Energy and Electrification to secure capacity and energy resources required to meet system needs. If municipalities have questions related to processes that are not administered by the IESO, they are encouraged to contact the applicable Ministry for further clarity, guidance and to inquire whether training opportunities are available.</p> <p>The IESO continuously strives to improve our engagement practices and disseminate the most up-to-date information and welcomes feedback regarding specific guidance and standards that may be of interest. As the LT2 RFP documents will be finalized over the coming months, the IESO is committed to engaging municipalities to share key details, answer questions and understand feedback. Once the LT2 RFP documents are finalized, the IESO will continue to explore opportunities to support municipalities.</p>

B) Perspective related to Agricultural Impact Assessment

Municipalities shared perspectives around how the Agricultural Impact Assessment can be a challenge and provided recommendations to improve the process. Specific feedback is summarized below.

Feedback / Common Themes	IESO Response
<p>The approach to AIAs for energy procurements might appear to be seen as a significant shift of responsibilities without a clear legislative or regulatory framework in place. Outside of the Planning Act, a municipality determining whether the Agricultural Impact Assessment (AIA) is satisfactory can be a challenge, due to:</p> <ul style="list-style-type: none"> • Legal mechanisms outside of the Planning Act processes to review AIAs, as informed by Official Plan requirements, do not exist. • Additional costs may be incurred by municipalities with AIAs since most municipalities may not have the in-house expertise and would be required to seek external expertise. • AIA studies may be above and beyond local planning requirements (e.g. for agricultural AD systems). 	<p>The IESO appreciates this feedback. The approach around AIAs is a matter of government policy and direction set by the Ontario Ministry of Agriculture, Food and Agribusiness (OMAFRA).</p> <p>The IESO is working with OMAFRA and the Ministry of Energy and Electrification to develop resources (e.g., a checklist) for municipalities to help inform their review of AIA material submitted and to align the Municipal Support Confirmation requirement with AIA requirements to the extent that is practical.</p> <p>More information about the current AIA process administered by OMAFRA can be found here: Agricultural impact assessments ontario.ca, including details to contact the Ministry to share any feedback.</p>

Feedback / Common Themes	IESO Response
<p>Timing of AIA is important. The AIA should be developed and submitted early in the process and be used as a key part of the project location decision making process.</p>	<p>The IESO is currently working with OMAFA as well as the Ministry of Energy and Electrification on the operationalization of AIAs. As part of the proposed AIA process a selected proponent will have up to 18 months post contract award to provide the IESO with confirmation that the AIA has been reviewed to the satisfaction of the local municipality. The IESO has also proposed that the LT2 RFP form of contract incentivize early commercial operation, and proponents may seek to finalize their AIAs earlier than the 18-month deadline.</p> <p>Much earlier in the process, the Municipal Support Confirmation (which is a mandatory pre-submission requirement) will confirm the land use designation of the proposed project site and require that proponents attest to having reviewed and considered alternate sites where the proposed project site is located in Prime Agricultural Areas. The municipality can require as much project information as deemed necessary to assess the project location for purposes of providing the Municipal Support Confirmation at that time.</p> <p>These details are subject to finalization as the IESO continues to collaborate with both Ministries on the approach to implementing this policy, including aligning the Municipal Support Confirmation and AIA processes as applicable.</p>

Feedback / Common Themes	IESO Response
<p>More clarity on what constitutes evidence of a satisfactorily completed AIA is required.</p> <ul style="list-style-type: none"> Establishing baselined requirements to ensure a consistent approach and outlining how do they differ from or align with the requirements under the Planning Act. Providing more details about the specific test or outcomes that the IESO or the Province are intending to implement or address as part of the AIA process. 	<p>The proposed AIA requirement reflects policy guidance by OMAFA as well as the Ministry of Energy and Electrification in the Ministerial Letter to the IESO on June 6, 2024.</p> <p>The IESO is currently working with OMAFA as well as the Ministry of Energy and Electrification to develop energy project specific processes and resources (e.g. a checklist) for municipalities to help inform their review of AIA material. More information about the current AIA process can be found here: Agricultural impact assessments ontario.ca</p>
<p>Prohibiting solar farms on prime agricultural areas is strongly supported.</p>	<p>The IESO appreciates this feedback, the approach around project siting is a matter of government policy and direction. The IESO received policy direction on the restrictions for siting energy projects on agricultural lands from the Minister of Agriculture, Food and Agribusiness and Minister of Energy and Electrification in the Ministerial Letter to the IESO on June 6, 2024 letter.</p>

Feedback / Common Themes	IESO Response
<p>Recommendations to improve the current process, include:</p> <ul style="list-style-type: none"> • Requesting OMAFA to undertake these reviews or retain an independent peer reviewer, and keep the municipality updated. • The IESO and the Province should be responsible for reviewing AIAs where they are required for procurement purposes. • Existing regulation that is governing AIA process needs to be updated to reflect the expanded requirements for energy projects, including by expanding the alternative site assessment process to include lands outside of a municipality. • Clarifying IESO and provincial responsibilities for setting AIA requirements, including purpose, scope, and implementation of recommendations. 	<p>The IESO appreciates this feedback. The approach around AIAs is a matter of government policy and direction.</p> <p>The proposed AIA requirement reflects policy guidance by OMAFA as well as the Ministry of Energy and Electrification in the Ministerial Letter to the IESO on June 6, 2024. The IESO has shared this feedback with the Ministry. More information about the current AIA process can be found here: Agricultural impact assessments ontario.ca, including details to contact the Ministry with feedback.</p> <p>The IESO is working with to the Ministry of Agriculture, Food, and Agribusiness as well as the Ministry of Energy and Electrification to develop energy project specific processes and resources (e.g. a checklist) for municipalities to help inform their review of AIA material. More information about the current AIA process can be found here: Agricultural impact assessments ontario.ca</p>

C) Proposed new municipal requirements and engagement approach

Municipalities supported the IESO proposed approach for new municipal requirements and engagement approach, and some shared recommendations to continue to improve the process. Specific feedback is summarized below.

Feedback / Common Themes	IESO Response
<p>If a municipal support resolution is required, the change to requiring it upfront as opposed to utilizing criteria points and then requiring it 18 months after a contract is strongly supported.</p>	<p>Thank you for providing this feedback. For the LT2 RFP, providing a Municipal Support Confirmation is a mandatory requirement to signal that a community supports a proposed project before it can move to the subsequent review stage.</p>

Feedback / Common Themes

IESO Response

Having the ability to determine how to proceed with municipal engagement and municipal support is appreciated.

The IESO appreciates this feedback. The IESO is aiming to develop a process to empower municipalities and proponents to determine the appropriate engagement process for each community and project(s).

The IESO encourages municipalities to set expectations and minimum community engagement standards with proponents directly. This will allow municipalities to determine what is sufficient community engagement and allows the IESO to rely on a Municipal Support Confirmation (which is a mandatory pre-submission requirement) as measure that engagement has been completed in a satisfactory manner.

Lastly, the Municipal Support Confirmation does not supersede or override any of the Municipality's legal authority in respect of applicable regulatory approvals and land use functions.

Feedback / Common Themes	IESO Response
<p>Recommendations to improve the recommended community engagement approach, include:</p> <ul style="list-style-type: none"> • Developing a best practice guideline, including for public consultation, will ensure a consistent approach, while giving municipalities flexibility. • If the final RFP does not include public consultation requirements, it is recommended to use at least the consultation requirements from the Planning Act’s standards for Zoning By-law and Official Plan Amendments. • The RFP should include deadlines for milestones, such as consulting with municipalities, to ensure adequate time for public engagement. 	<p>The IESO appreciates this feedback. As part of LT2 RFP, the IESO is proposing to streamline the municipal support and community engagement process to empower municipalities and proponents to determine the appropriate engagement approach. The IESO has removed the mandatory community engagement requirements that were previously applied as part of LT1, and instead, encourages developers to conduct early engagement with municipalities to understand community preferences and needs. This allows municipalities to determine what is sufficient community engagement and allows the IESO to rely on Municipal Support Confirmation (which is a mandatory pre-submission requirement) as measure that engagement has been completed in a satisfactory manner.</p> <p>To ensure a consistent approach to early engagement, proponents will be required to submit a Pre-Engagement Confirmation Notice to the local municipality that contains specific project details (which will be outlined in the Prescribed Form: Evidence of Municipal Support). The IESO will not be developing any further guidelines related to public consultation.</p> <p>The IESO continuously strives to improve our engagement practices and disseminate the most up-to-date information and welcomes feedback regarding specific guidance and standards that may be of interest. Please email the Regional and Community Engagement team at CommunityEngagement@ieso.ca to further understand the type of guidance that would be helpful.</p>

Feedback / Common Themes	IESO Response
<p>Proposals with extended contracts should also have minimum community engagement components.</p>	<p>Municipal support requirements remain a matter of government policy and have been required for all new facilities procured under the IESO’s long-term procurements.</p> <p>Existing facilities have the opportunity to compete for new commitments under medium term procurements, like the upcoming MT2 RFP.</p> <p>Under medium-term RFPs, the IESO has reflected policy by ensuring that it is the responsibility of the Proponent to ensure that all necessary licenses, approvals and permits are up to date, valid for operation and in good standing for the duration of the MT2 RFP Contract, as applicable.</p>
<p>Proponents should be required, not just encouraged, to consult with municipalities on public consultation matters and adhere to their requirements.</p>	<p>The IESO appreciates this feedback. As part of the proposed streamlined process, the IESO will require developers to conduct early engagement with municipalities to understand community preferences and needs. This allows municipalities to determine what is sufficient community engagement and allows the IESO to rely on Municipal Support Confirmation (which is a mandatory pre-submission requirement) as a measure that engagement has been completed in a satisfactory manner.</p> <p>Lastly, the Municipal Support Confirmation does not supersede or override any of the Municipality’s legal authority in respect of applicable regulatory approvals and land use functions.</p>

Feedback / Common Themes	IESO Response
<p>Municipal support resolution templates should be made more flexible.</p>	<p>IESO appreciates this feedback and understands the importance of providing flexibility to municipalities when it comes to issuing resolutions.</p> <p>Local municipalities are encouraged to use the template Municipal Resolution in Support of Proposal Submission, which will be provided in the Prescribed Form: Evidence of Municipal Support. Should a local municipality wish to develop its own resolution, the resolution must include key details (which will be outlined in the prescribed form template), to ensure the project meets the mandatory requirements set out in the LT2 RFP.</p>

D) General Comments/Questions

Specific feedback is summarized below.

Feedback / Common Themes	IESO Response
<p>What does Indigenous Participation include? Is there requirements for Proponents to engage and consult with neighbouring Indigenous communities or are the points simply for involving an Indigenous community in the project as a partner?</p>	<p>Under the LT2 RFP, the IESO will provide rated criteria points for projects that evidence Indigenous Community participation. Building on the success of the E-LT1 and LT1 RFPs the IESO intends to mirror the requirements from these past procurements whereby more rated criteria points were awarded based on increased levels of Indigenous economic interest and additional points were awarded to incentivize participation from Indigenous communities that were local to the project (including those with treaty rights or on whose traditional territory the project is located). The IESO encourages proponents to actively engage and cultivate enduring relationships with Indigenous communities. The IESO will continue to seek to refine individual contractual parameters to ensure this success can continue.</p>