JULY 17, 2025

LT2 RFP Webinar for Indigenous Communities and Municipalities

Dave Barreca, Supervisor, Resource Acquisition, Resource Development and Procurement,
Zeljko Romic, Manager – Environmental Assessment Program Support, Ministry of the Environment, Conservation and Parks

ieso
Connecting Today. Powering Tomorrow.

Agenda

Part One – Overview – 1:00pm-1:45pm

1. **Meeting Electricity Needs and the Critical Role of Communities**, Dave Barreca, Supervisor, Resource Development and Procurement
2. **Long-Term 2 Request For Proposals (RFP) Overview**, Dave Barreca, Supervisor, Resource Development and Procurement
3. **Environmental Approval Requirements for Energy Projects**, Zeljko Romic, Manager, Environmental Assessment Program Support, Ministry of Environment, Conservation, and Parks

Part Two – Targeted Discussions – 1:45pm-3:00pm

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

Territory Acknowledgement

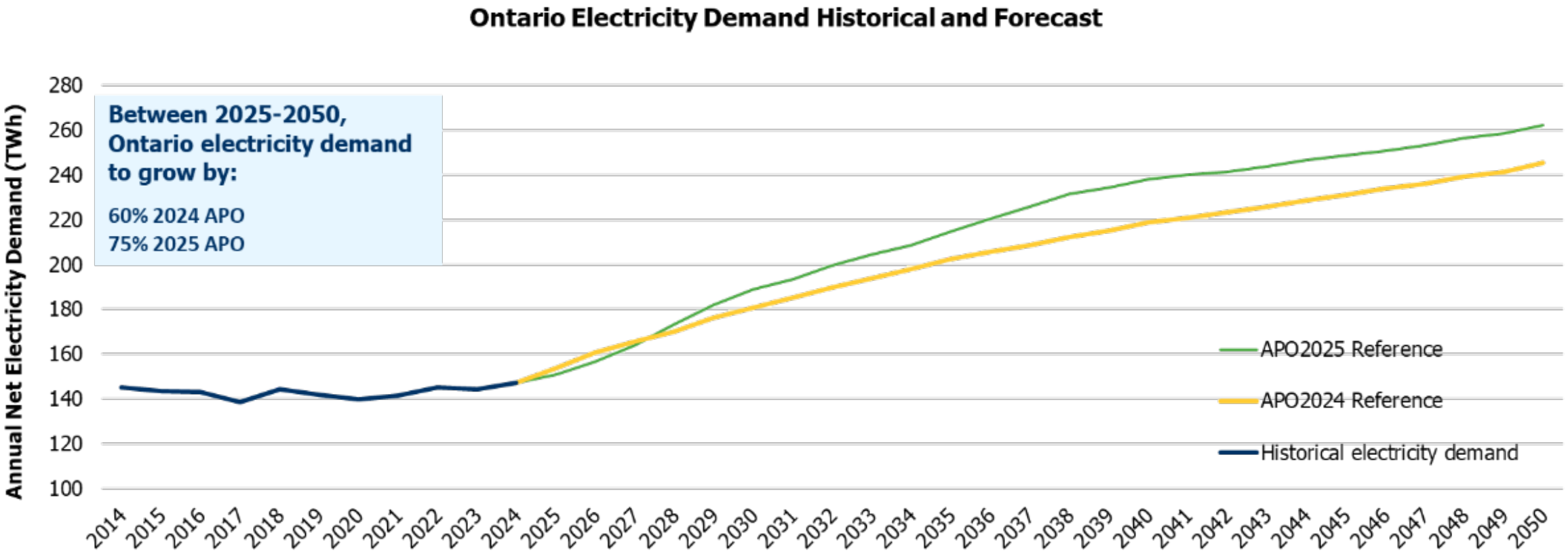
The IESO acknowledges the land from where we are delivering today's webinar is the traditional territory of many nations including the Mississaugas of the Credit, the Anishnabeg, the Haudenosaunee and the Wendat peoples, and is now home to many diverse First Nations, Inuit and Métis peoples. We also 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.

Meeting Electricity Needs and the Critical Role of Communities

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

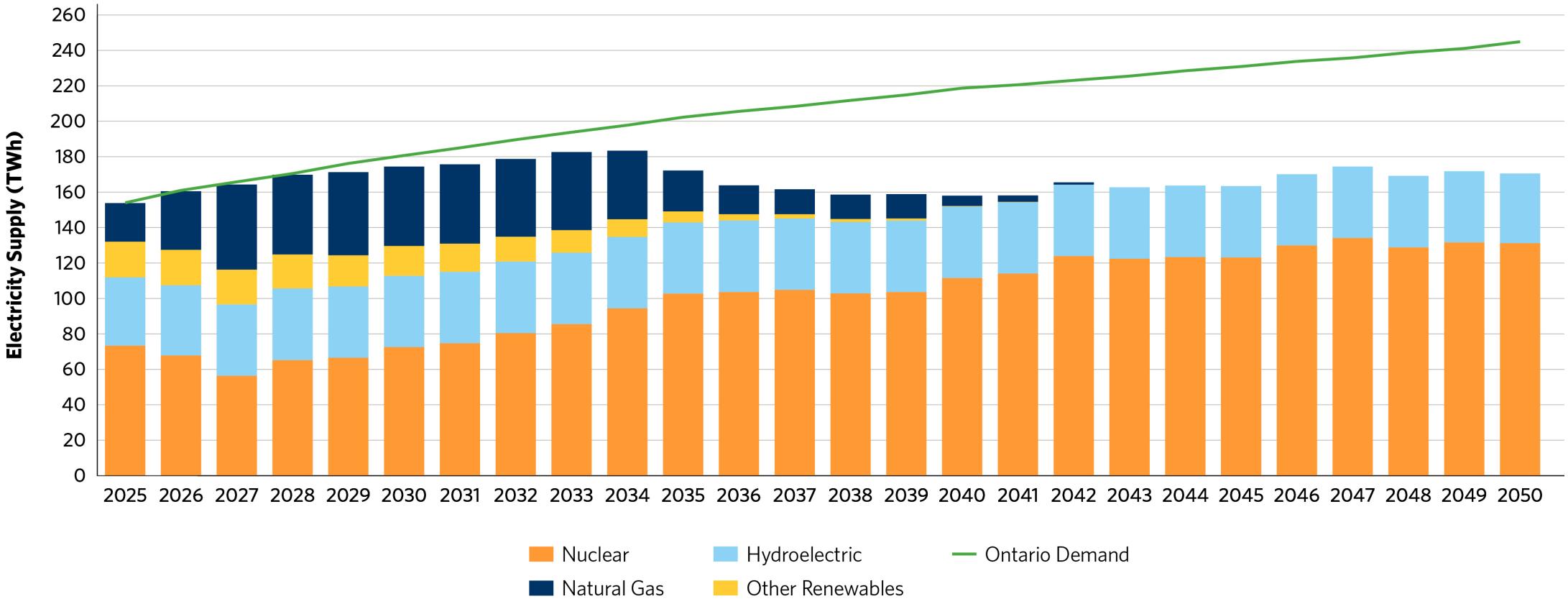
Ontario's Changing Electricity Landscape



ieso
Connecting Today. Powering Tomorrow.

Energy Supply

Energy Adequacy Outlook



ieso
Connecting Today. Powering Tomorrow.

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	Requires time to develop, especially new and/or significant expansions; eligible for LT2 RFP, however projects may also participate in the IESO Long Lead-Time 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 captures the heat typically wasted during electricity generation repurposed for heating or cooling 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 we must work together to secure it. Keeping pace requires an all-of the above 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 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.
- **Several other initiatives are planned or underway**: Northern Hydro Program, Small Hydro Program, Medium-term RFPs, Long-Lead time RFP, annual Capacity Auction, and enhanced energy efficiency opportunities.

Communities Have a Key Role in Our Energy Future

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 Proponents on the applicable approvals, and partnerships, where applicable.

IESO LT2 RFP Community Engagement Since 2024

The IESO has taken steps to ensure timely access to information to aid decision-making to support the development of the LT2 RFP, including:

Hosted **6 Community Webinars** to share key updates

Attended **17 Municipal Conferences**

Developed **key resources** to support communities and municipalities including guides, Q&As, and letters.

~700 Indigenous and municipal webinar participants

Dedicated landing page and dedicated email

Long-Term 2 Request For Proposals Overview

Dave Barreca, Supervisor, Resource Development and Procurement

Overview of Government Direction

At the end of 2024, the government directed the IESO to implement annual long-term procurements - windows - to address emerging electricity needs from 2029 to 2034. On June 26, 2025, the government amended the directive to confirm that the Procurement Restriction Policy would not apply to the LT2 RFP, and directed the IESO to include incentives for Canadian-Status Proponents.

Energy Stream Target:

- 14 terawatt-hours (TWh) of resources able to inject energy at all times (approximately 6,000 MW)
    - biofuel, wind, solar, combined heat and power, hydroelectric

Capacity Stream Target:

- 1,600 megawatts (MW) of dispatchable resources
    - biofuel, gas, storage

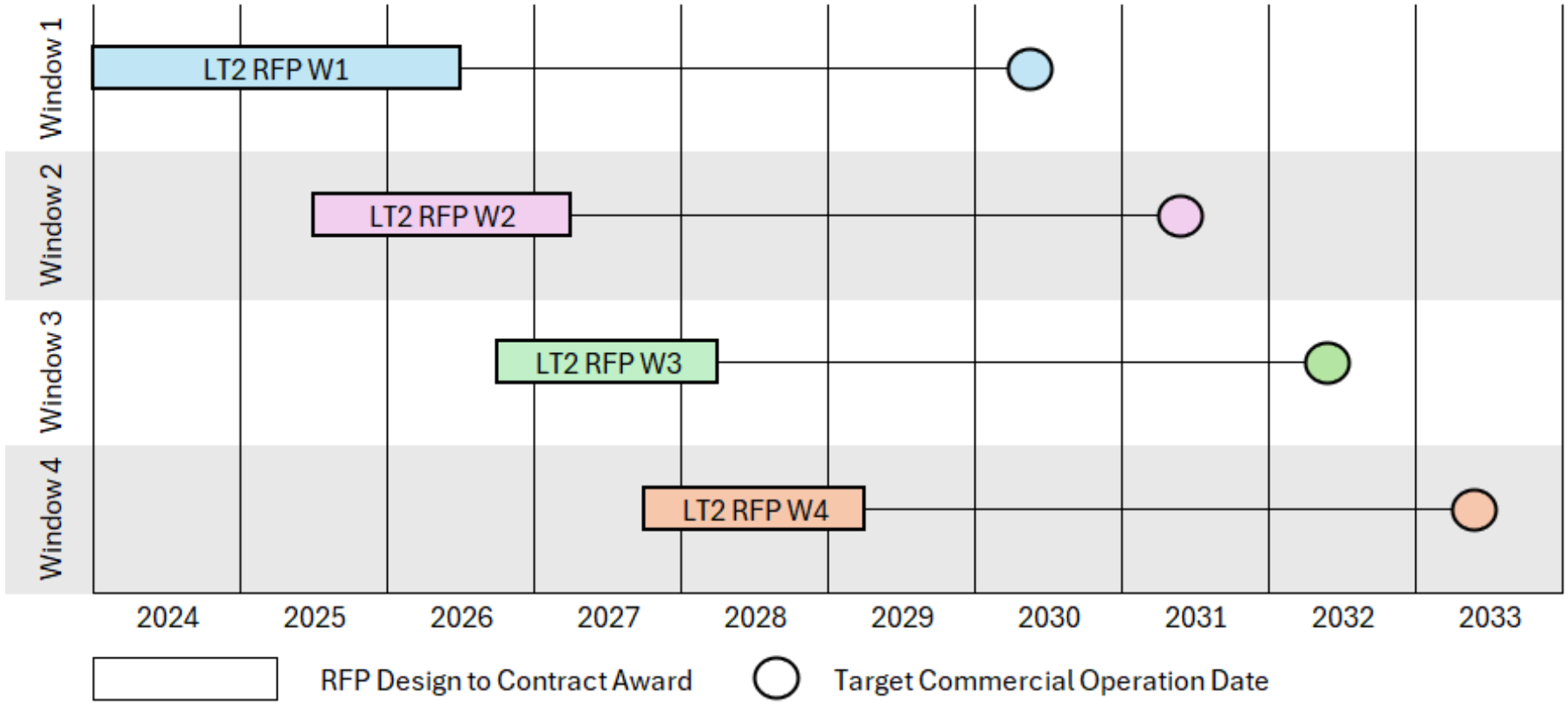
LT2 RFP Window*	Energy Target	Capacity Target
Window 1	3 TWh	600 MW
Window 2	1-3 TWh	400 MW
Window 3	2-4 TWh	300 MW
Window 4	2-4 TWh	300 MW

*Number of windows and targets are subject to change.

The LT2 RFP Submissions – A Windowed Approach

- Standalone procurements "windows", expected on an annual basis, under the umbrella of the LT2 RFP.
- The **first LT2 RFP proposal submission window is open as of June 27, 2025.**
  - Proposal Submission deadline for the **energy stream is October 16, 2025,** and for the **capacity stream is December 18, 2025**.
- Increased overall procurement targets that align with emerging needs, with a ramp up that enables more development over the long run.
- A submission window approach provides opportunities for projects that are submission-ready in 2025 and allows for more time for engagement and outreach by Proponents seeking to participate in later windows.
- Additionally, proposals that were unsuccessful in Window 1 may have an opportunity to be re-submitted in later windows, if eligibility requirements are met.

LT2 RFP Windows and Commercial Operation Timeframes*



Window 1 has a proposal submission deadline of Q4 2025, with contracts awarded in Q2 of 2026 and expected commercial operation in 2029/2030.

Subsequent submission windows are expected to follow this pattern, but could be subject to change.

*Number of windows and timing subject to change.

Key Policy Design Items of the LT2 RFP

The IESO has designed the LT2 RFP to include the following policies, based on government direction:

Municipal Support Resolutions ahead of proposal submission

Protections for **Prime Agricultural Areas**

All resource types are eligible to participate

Building on **Indigenous Participation** success

Canadian-Status Proponents incented

Project **siting in Northern Ontario** incented

Enabling Projects on **Crown Land**

LT2 RFP Design Overview

The LT2 RFP has been designed to foster competition while providing certainty, and to balance risk between ratepayers and investors. Key items include:

- **Mandatory requirements** help provide assurance that the proposals evaluated by the IESO are from Proponents who are best positioned to deliver on contractual obligations.
- **Rated criteria points** will incentivize certain policy or technical attributes.
- **Enhanced Indigenous and community engagement requirements** to empower Indigenous communities and municipalities to outline how they want their community members and constituents engaged, limiting project development to willing hosts.
- **Deliverability testing** ensures that if a project is selected, the electricity it produces can effectively contribute to meeting reliability needs.

Mandatory Requirements for LT2 RFP

Mandatory Requirements provide assurance that proposals evaluated by the IESO are from Proponents who are best positioned to deliver on their contractual obligations. Mandatory requirements include, but are not limited to:

- **Proposal Security** to ensure projects proceed as well as demonstrate financial wherewithal.
- **Minimum experience** requirements for project team members.
- **Proposal submission limits** to encourage supplier diversity.
- **Confirmation of access rights** to properties within a project site.
- **Confirmation that supportive resolutions have been obtained** from local communities to empower Indigenous communities and municipalities, encouraging Proponents to work with willing hosts.

Rated Criteria Points

Key Details

- Rated Criteria will be used to calculate a Proposal's Evaluated Proposal Price.
- Proponents will be eligible to earn up to 12 points in the energy stream and up to 15 points in the capacity stream.
- Rated Criteria points worth a 2% reduction in a Proposals Evaluated Proposal Price are available to Canadian-Status Proponents. This reduction is additive and does not dilute existing criteria (e.g. Indigenous Participation)
  - Canadian-Status Proponents are Proponents which either have their headquarters in Canada, or are ultimately controlled by an entity that has its headquarters in Canada

Rated Criteria Category	Points Available
Indigenous Community Participation	3
Local Indigenous Participation	3
Project is sited outside of Prime Agricultural Areas	3
Project is sited in a territorial district of Northern Ontario*	3
Duration (Capacity Stream Only)	3
Total Rated Criteria Points Available	**12 or 15**

* Districts of Kenora, Rainy River, Thunder Bay, Cochrane, Algoma, Sudbury, Timiskaming, Nipissing, Manitoulin and Parry Sound

Support Confirmations

Proposals must include one or more of the support confirmations below, to meet the mandatory requirements of the LT2 RFP.

Project Site Location	**Requirement**
Indigenous Lands*	Indigenous Support Confirmation (ISC)
Within a Municipality	Municipal Support Confirmation (MSC) or blanket MSC
Within a Municipality but on Crown Land	Municipal Support Confirmation (MSC) or blanket MSC and an MNR Confirmation Letter*
Crown Lands managed by Ministry of Natural Resources (MNR) (not within a Municipality)	MNR Confirmation Letter*
Unincorporated Territory*	Confirmation of Unincorporated Territory

*Term defined in the LT2(e-1) RFP and LT2(c-1) RFP

How Indigenous and Community Engagement Informed the Final LT2 RFP

- Feedback from E-LT1 and LT1 RFPs experiences and the broader lessons learned from those procurements resulted in streamlined processes to empower Indigenous communities, municipalities, and Proponents to determine the appropriate engagement approach by:
  - Removing prescribed community engagement activity requirements in the LT2 RFP. Instead, the IESO will **encourage Proponents to conduct early engagement with Indigenous communities and municipalities to understand community preferences and needs.**
    - This allows Indigenous communities and municipalities to determine what is sufficient community engagement and allows the IESO to rely on support confirmations as the instrument that engagement has been completed in a satisfactory manner.
  - There are **two mandatory requirements that a Proponent needs to meet to satisfy the LT2 RFP engagement requirements**.

Engagement Mandatory Requirements

Mandatory Requirements	Key Details
Requirement 1: Proponents with proposed Project Site(s) on Indigenous Lands and/or Municipal lands are required to deliver, via email or certified mail, a **Pre-Engagement Confirmation Notice** to the Local Body Administrator.	• A Pre-Engagement Confirmation Notice serves the purposes of (among others) beginning the collaborative work to establish an agreed upon community engagement plan and seeking to confirm applicable land-use details in relation to the proposed Project Site(s). A sample Pre-Engagement Confirmation Notice has been provided as part of the Prescribed Form: Evidence of Indigenous Support and the Prescribed Form: Evidence of Municipal Support
Requirement 2: Proponents with proposed Project Site(s) on Indigenous Lands and/or Municipal lands, will be required to include as part of their Proposal Submission an **Indigenous Support Confirmation** and/or **Municipal Support Confirmation.**	• An Indigenous Support Confirmation confirms that the Proponent has undertaken community engagement activities for its Proposal to the satisfaction of the Indigenous Community. • A Municipal Support Confirmation confirms that the Proponent has undertaken community engagement activities for its Proposal to the satisfaction of the Municipality and if applicable, whether specific requirements for projects locating on agricultural land have been met.

Deliverability

- Project proposals will be ranked based on their Evaluated Proposal Price, then tested for deliverability to ensure the electricity they produce can effectively contribute to meeting the reliability needs intended to be addressed by LT2 before awarding contracts.
- To maximize the chances that project proposals will be deliverable, the IESO has provided connection guidance to Proponents ahead of time.
- Energy project connection guidance and capacity project connection guidance documents include tables and maps that Proponents can use to find locations across the province where projects have a higher chance of being deliverable.

LT2 Contract Overview

Proponents that are successful in the LT2 RFP will be awarded either an energy or capacity **20-year term** Contract depending on which stream they participate in. Key details of the Contract include:

- **Early operation incentives** will be offered to non-electricity storage projects that can be in service prior to May 1, 2030, which may result in contract term lengths greater than 20 years.
- If an eligible project is located within a Prime Agricultural Area, then a successful Proponent must complete the **AIA Components Two and Three Requirement** to the satisfaction of the Local Municipality and provide the IESO with documentation confirming the same no later than 18 months post-contract award.
- all applicable laws and regulations, including those pertaining to **decommissioning**, must be adhered to by a Supplier in order for the Contract to remain in good standing; and the proponent must agree to assume all risk and provide an indemnity in respect of all damages or costs arising out of (among other things) any legal requirements relating to decommissioning

LT2 Contract Overview (continued)

- Until the fifth anniversary of the Commercial Operation Date (COD), selected Proponents that were awarded rated criteria points for Indigenous participation must maintain the **Initial Indigenous Participation Level (IPL)**.
  - If there is a reduction in the Initial IPL, the selected Proponent must notify the IESO within 20 business days, and if the Indigenous Participation Level is not restored to at least the Initial IPL within six months, such failure shall constitute a Supplier Event of Default.
  - However, as of the contract date, should an individual Indigenous Community holding at least 10% of the economic interest in the supplier, provide the IESO written notice requesting a reduction in the Initial IPL prior to the fifth anniversary of the COD, such reduction shall constitute the Initial IPL if the reduction is no less than the Minimum Reduced IPL.

Presentation from Ministry of Environment, Conservation and Parks

Ministry of the Environment, Conservation and Parks

Environmental Approval Requirements for Energy Projects

IESO Information Session

July 2025

Ontario

Purpose

- To provide an overview of the Ministry of the Environment, Conservation and Parks' (MECP's) approval requirements for energy projects.

Overview - Environmental Approval Requirements

- **Wind, solar and bio-energy** facilities:
  - Renewable Energy Approval (REA) process (since 2010).
    - Environmental Compliance Approvals (ECAs) were issued for wind, solar and bio-energy facilities prior to 2010.
    - Small ground-mounted solar projects (10-500 kilowatts) may register through Environmental Activity & Sector Registry (EASR).
- **Waterpower** facilities- Comprehensive Environmental Assessment (EA) or Class EA process (depending on size), followed by subsequent permissions such as ECAs.
- **Stand-alone battery energy storage systems (BESS)** - Air Emissions EASR and/or other permissions depending on project specifics.
- **Natural gas** facilities:
  - Streamlined Environmental Assessment (EA) process (if ≥ 5 megawatts) followed by subsequent permissions such as ECAs.

Wind, Solar, Bio-Energy (Renewable Energy Approvals)

- **Wind**, **solar** and **bio-energy** facilities must apply for a REA and meet requirements of Ontario Regulation 359/09, which include:
  - Consultation with Indigenous communities.
    - MECP provides lists of Indigenous communities that proponents must consult (this occurs early in the project planning phase, well before a REA application is submitted for MECP review).
  - Consultation with local municipalities, including confirmation that local zoning permits the project to be located where proposed.
  - Mandatory public meetings and postings on the Environmental Registry of Ontario for public comments.

Renewable Energy Approvals cont'd.

- Preparation of specific technical reports and studies including but not limited to:
  - Natural heritage assessments;
  - Cultural heritage assessments / archaeological assessments;
  - Noise assessments;
  - Design and Operations reports, etc.
- Demonstration of demand (e.g. confirmation that proponent had an IESO contract).
- Confirmation letters from other ministries re: natural heritage and cultural heritage studies.
- Other studies/reports that MECP deems appropriate for specific projects (e.g. Odour reports for bio-energy projects).
- If a change is proposed to an existing facility, the exiting REA needs to be amended to incorporate the change(s).
  - The amendment process typically includes additional technical studies and consultation depending on the severity of the change.

Waterpower

- Waterpower projects may trigger requirements under the *Environmental Assessment Act,* as follows:
  - Comprehensive Environmental Assessment (EA) required if ≥ 200 MW).
  - Class EA for Waterpower Projects if < 200 megawatts (MW).
- EA processes involve:
  - Preparation of technical studies/reports.
  - Consultation with Indigenous communities, local municipalities and the public.
- Following completion of an EA process, the following permissions may apply:
  - ECA may be required for sewage.
  - EASR may be required for air and noise.
  - Other site-specific permits may also apply (e.g. permit under the *Endangered Species Act*).

Battery Energy Storage Systems (BESS)

- A stand-alone BESS requires registration through the Air Emissions EASR – a proponent-driven, self-registration process.
  - Appropriate North American Industry Classification System (NAICS) code is 2211221 Electric Bulk Power Transmission and Control.
- Other requirements may also be triggered depending on associated infrastructure and site-specific considerations. For example:
  - Associated transmission lines and transformers may trigger requirements under the Transmission Facilities Class EA.
  - Changing the project site's permeability may trigger ECA requirements for stormwater.
- BESS projects that are integrated with generation facilities may trigger different requirements depending on the type of facility they are integrated with. For example:
  - BESS integrated with a wind facility would be approved under the same REA as the wind facility.

New Natural Gas Facilities

- Natural gas projects may trigger streamlined EA requirements (Environmental Screening Process for Electricity Projects) if ≥ 5 MW, which involves:
  - Preparation of technical studies/reports.
  - Consultation with Indigenous communities, local municipalities and the public.
- Following completion of the streamlined EA process (or if no EA is required) the following permissions may apply:
  - ECAs (or EASR if eligible) for air/noise and sewage.
  - Other site-specific permits may also apply (e.g. permit under the *Endangered Species Act*).

Summary

- The guidance provided in this presentation is general in nature.
  - Site-specific considerations such as use of Crown land, the presence of species at risk and other factors may trigger additional requirements.
- MECP offers pre-submission consultation services to proponents of energy facilities to help them understand what environmental approval requirements may apply to their projects.
- For questions about environmental approval requirements, please contact MECP at:
  - REAprogramdelivery@ontario.ca (renewable energy projects)
  - enviropermissions@ontario.ca (non-renewable energy projects)

Online Resources

- The following regulations and guidance materials related to energy projects are available on the MECP's website:
  - Renewable Energy Approvals Process
  - Technical Guide to Renewable Energy Approvals
  - Ontario Environmental Protection Act - Renewable Energy Approvals Ontario
  - Noise guidelines for Wind Farms
  - Ontario Compliance Protocol for Wind Turbine Noise
  - Ontario Environmental Compliance Approval
  - Class EA for Transmission Facilities.pdf (prod-environmental-registry.s3.amazonaws.com)
  - Small ground-mounted solar facilities user guide for Environmental Activity and Sector Registry
  - Ontario Environmental Protection Act - Regulation for Solar Facilities
  - Ontario Environmental Noise Guideline - Stationary and Transportation Sources - Approval and Planning (NPC-300)
  - Information to be submitted for approval of stationary sources of sound (NPC- 233)
  - Ontario Environmental Assessment Act – Designations and Exemptions Regulation
  - Environmental Screening Process for Electricity Projects

Next Steps

Next Steps

- Join the Indigenous community or municipal targeted discussion session to ask questions about the materials presented today.
- Reminder: The **first LT2 RFP proposal submission window is open as of June 27, 2025.**
  - Proposal Submission deadline for the **energy stream is October 16, 2025,** and for the **capacity stream is December 18, 2025**.
  - Questions about the LT2 RFP can be directed to CommunityEngagement@ieso.ca or IndigenousRelations@ieso.ca
- LT2 RFP Window 2 design will begin Q3 2025 with future community engagement TBD
- To stay informed, subscribe to receive email communications at www.ieso.ca/subscribe

Thank You

STAY INVOLVED

- Learn more at www.ieso.ca/learn
- Subscribe to updates at IESO.ca/subscribe
- Download the IESO's Municipal Toolkit
- Join an engagement

CONTACT

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

FOLLOW

- LinkedIn.com/company/IESO
- @OntarioIESO
- LinkedIn.com/showcase/SaveOnEnergy-Ontario
- @SaveOnEnergy

ieso
Connecting Today. Powering Tomorrow.

Appendix

Disclaimer

This presentation and the information contained herein is provided for informational purposes only. The IESO has prepared this presentation based on information currently available to the IESO and reasonable assumptions associated therewith, including relating to electricity supply and demand. The information, statements and conclusions contained in this presentation are subject to risks, uncertainties and other factors that could cause actual results or circumstances to differ materially from the information, statements and assumptions contained herein. 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. 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

Active and Upcoming Procurements

Mechanism	Key Details
Medium-term Procurements	Secures **existing** energy and capacity resources 5-year periods MT2 RFP evaluation period has concluded with 27 contracts awarded, totaling 3001.11 MWs
Long-term Procurements	Secures **new** build energy and capacity resources; procurements executed annually First proposal submission window of the LT2 RFP opened on June 27, 2025
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 in early design phase

Key Sector Participants for New Electricity Supply

The Independent Electricity System Operator

Delivers key services including operating the system, planning, enabling conservation, procurement, and designing a more efficient electricity marketplace.

Ministry of Energy and Mines

Sets overall policies for the electricity sector.

Ministry of the Environment, Conservation and Parks

Sets policies and regulatory framework for environmental protection, including environmental assessment requirements.

Ministry of Agriculture, Food and Agribusiness

Responsible for the agri-food sector in Ontario, including the Agricultural Impact Assessment process.

Proponents

Submit proposed projects to the procurement process. If selected, Proponents are required to secure approvals, complete engagements, and build and maintain the new supply projects.

Ministry of Municipal Affairs and Housing

Responsible for municipal affairs, land use planning and rezoning.

Electrical Safety Authority, Technical Standards and Safety Authority

Third parties that ensure that projects comply with all applicable laws and regulations.

Ministry of Natural Resources

Responsible for the resource sector and management of Crown Land.

Thank You

STAY INVOLVED

- Learn more at www.ieso.ca/learn
- Subscribe to updates at IESO.ca/subscribe
- Download the IESO's Municipal Toolkit
- Join an engagement

CONTACT

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

FOLLOW

- LinkedIn.com/company/IESO
- @OntarioIESO
- LinkedIn.com/showcase/SaveOnEnergy-Ontario
- @SaveOnEnergy

ieso
Connecting Today. Powering Tomorrow.