Agenda

1. Key Steps and what Municipalities can expect in the LT2 RFP Window 1 process

   - Importance of Municipalities in the LT2 RFP

   - Recap of Municipal key LT2 RFP items

   - Frequent Feedback and IESO actions to address

   - Four Key Steps in the RFP Process for Municipalities

2. Discussion – the Ontario Ministry of Agriculture, Food and Agri-business (OMAFA) and the Ministry of Municipal Affairs and Housing are available for questions

3. Next Steps

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The Important Role of Municipalities

- Ontario needs an electricity system for lasting prosperity — a system that delivers for the province and powers our growth. More electricity infrastructure must be built across communities in the province in a timely manner.

- Municipalities are key partners in Ontario's energy transition and local decisions play a critical role in shaping the province's electricity system. Municipalities determine whether they are willing hosts for new supply resources and are therefore essential to securing the energy resources needed to meet Ontario's growing electricity needs.

- Your input and feedback has informed the process:

  ✓ Streamlined the municipal support confirmation process, empowering municipal decision-making.

  ✓ Collaborated with partners to develop asked-for resources such as the municipal guide, the sample pre-engagement confirmation notice, the Agricultural Impact Assessment Q&A document, and AMO toolkit.

  ✓ Continued to engage with municipalities through conferences, webinars and one-on-one engagement.

- The IESO is committed to continuing our engagement with municipalities as work progresses, and we welcome your feedback and involvement in these important matters.

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LT2 RFP - Municipal Key Items Recap

Timing	The first window of the LT2 RFP opened June 27, 2025. Proposal submission deadline for the energy stream is October 16, 2025, and for the capacity stream is December 18, 2025.
Support Confirmations	Similar to the E-LT1 and LT1 RFPs, proponents are required to obtain a Municipal Support Confirmation from the municipality, signaling that the municipality is supportive of the proponent submitting their proposed project to the IESO. Proponents are encouraged to engage early and frequently with communities. A support confirmation does not impact or change any approvals, permits or requirements the project may be subject to (e.g. environmental permits).
Community Engagement	The IESO has enhanced community engagement requirements for the LT2 RFP to empower municipalities to share how they want community members to be engaged, tying the satisfactory completion of that engagement to the issuance of a Municipal Support Confirmation.
Two Mandatory Engagement Requirements	The two Mandatory Requirements a Proponent would need to satisfy the LT2 RFP engagement requirement: Pre-Engagement Confirmation Notice and Support Confirmation.
Rated Points Criteria	Based on government direction, the LT2 RFP includes a rated criteria structure whereby rated criteria points are available for projects not located in Prime Agricultural Areas and rated criteria points are available for projects in the territorial district of Northern Ontario.

Frequently Heard Feedback: Engagement

Feedback	Response
• The ability to determine how to proceed with municipal engagement and municipal support is appreciated • Training, updated guidance and standards should be provided for energy projects • More support for municipalities is important • Municipal support resolution templates should be made more flexible	✓ Developed a process to empower municipalities and proponents to determine the appropriate engagement process for each community. ✓ The IESO has developed several resources/actions targeted to the needs of municipalities to ensure uniform access to information to aid municipal decision-making, such as webinars, toolkits etc. ✓ The templated Municipal Support Resolution can be edited however, the resolution must include key details to ensure the project meets the mandatory requirements set out in the LT2 RFP. ✓ Help promote your municipality as willing hosts by reaching out to Energy Storage Canada, the Association of Power Producers of Ontario, and/or the Canadian Renewable Energy Association (CanREA) to share your municipality's interest in hosting a facility with their membership. ✓ Consider engaging your council to pass a motion that your municipality is a willing host to electricity resources.

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Frequently Heard Feedback: Agricultural Impact Assessment (AIA)

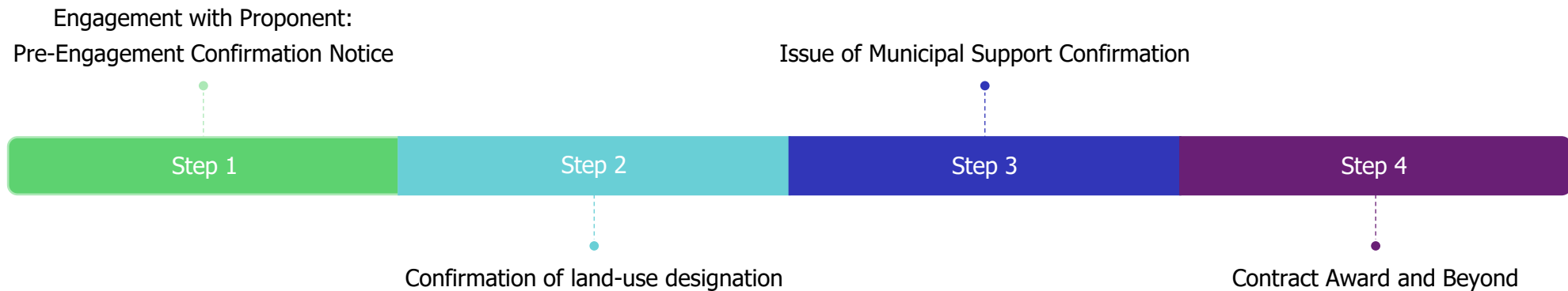| Feedback	Response
• Responsibility to complete an AIA • Clarity around when the AIA should be completed • Clarity around who completes an AIA • Municipality determining whether the AIA is satisfactory can be a challenge	✓ The approach around AIAs is a matter of government policy and direction. ✓ The AIA requirement can be completed in two stages: 1) AIA Component One Requirement must be met by proposal submission 2) AIA Components Two and Three Requirement must be met within 18-months of Contract award. ✓ A Proponent/successful Proponent is responsible for completing the AIA requirements and providing the documentation to the municipality for review. ✓ To help inform the municipality's review of a Proponent's AIA documentation, the IESO worked with the Ontario Ministry of Agriculture, Food, and Agri-business to develop resources such as the OMAFA Guidelines for the LT2 AIA Component One Requirement and the LT2 AIA QA V3. Note: OMAFA Guidelines for the LT2 AIA Components Two and Three Requirement are under development.

Frequently Heard Feedback

Feedback	Response
• Environmental impacts (such as noise and decommissioning) of projects should be mitigated • More information is needed around battery safety	✓ A number of government agencies and authorities determine environmental assessment processes and standards for the safe maintenance and operation of electrical equipment. ✓ Standards and regulations that govern the safe operation of electricity facilities in Ontario are determined by Electrical Safety Authority, the Technical Standards and Safety Authority. ✓ Project impacts and mitigation options are determined through the environmental assessment, and administered by the Ministry of Environment, Conservation, and Parks (MECP). ✓ Developing a decommissioning plan is a key component of MECP's Renewable Energy Approval process under O.Reg 359/09; under the LT2 Contracts: (a) 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 (b) 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. ✓ Proponents are required to obtain and comply with all existing permits and processes. ✓ More information about safety and environmental impacts can be directed to proponents and relevant agencies and authorities.

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The Process: Four Key Steps and the Role of Municipalities

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Summary of Key Steps

Municipalities and Proponents will need to work closely before the proposal is submitted to the IESO to ensure that it is complete and can be considered by the IESO. There are four steps, with details provided in the next slides. More details are found the LT2 RFP Municipal Guide.

Engagement with Proponent:
Pre-Engagement Confirmation Notice

Issue of Municipal Support Confirmation

| Step 1 | Step 2 | Step 3 | Step 4 |

Confirmation of land-use designation

Contract Award and Beyond

Step 1 - Engagement with Proponent: Pre-Engagement Confirmation Notice

When can municipalities expect to receive a Pre-Engagement Confirmation Notice from the Proponent?	At least **60 days prior to Proposal Submission Deadline** municipalities can expect Proponents to provide the municipality with a Pre-Engagement Confirmation Notice ("Notice"); this may be the first form of formal engagement.
What information does the Proponent provide in the Notice?	The Notice shares preliminary **project details**, including a request that the municipality **confirm the proposed project site land use designation**, and starts the establishment of an agreed upon community engagement plan.
How much engagement does a Proponent need to do in my community?	**Municipalities determine the expectation** for the level of community engagement that is required by the Proponent, based on the municipality's needs and preferences.
Are there sample forms?	**Yes**, a sample Pre-Engagement Confirmation Notice is included within the Prescribed Form: Evidence of Municipal Support LT2(e-1) PF-MS100 and LT2(c-1) PF-MS100.

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Step 2 - Confirmation of Land-Use Designation

Why is a Proponent asking the municipality to confirm the land-use designation of the proposed project site?	There are **additional requirements if a project is being proposed to locate in a Prime Agricultural Area** (PAA), as defined in the Provincial Policy Statement, 2024 and designated in the local municipality's Official Plan.
What are the additional requirements for projects locating on Agricultural land?	No new projects may locate in specialty crop area; no new ground mounted solar projects may locate in PAA. All other eligible projects seeking to locate in a PAA must complete an **Agricultural Impact Assessment** (AIA). An AIA has three components that may be completed in two stages: • AIA Component One Requirement *(see slide 45 for more details)* • AIA Components Two and Three Requirement *(see slide 48 for more details)*
What form is used to confirm the land-use designation of the proposed project site?	As part of the **Pre-Engagement Confirmation Notice** the Proponent will ask the municipality to confirm the land use designation of the proposed project site. The municipality will confirm the land-use designation as part of the **Municipal Support Confirmation**.

Step 2a - AIA Component One Requirement*

What is the AIA Component One Requirement?	Consideration of agriculture in site selection to **avoid impacts to agriculture where possible**. It involves **evaluating alternative locations** outside of Prime Agricultural Areas and on lower-priority soils, where applicable.
Who completes the AIA Component One Requirement?	The AIA Component One Requirement is **completed by the Proponent** and then **reviewed to the satisfaction of the Local Municipality**.
When does this requirement need to be met?	The AIA Component One Requirement must be met by **proposal submission deadline.**
How is the requirement evidenced to the IESO?	The Local Municipality, via the **Municipal Support Confirmation**, confirms that they have received and accepted the documentation from the Proponent.
Are there resources available to aid municipalities in the review of the documentation?	**Yes**, OMAFA Guidelines for the AIA Component One Requirement, LT2 AIA QA V3, to speak to a Ministry staff person, please reach out to the Agricultural Information Contact Centre (AICC) at 1-877-424-1300 or ag.info.omafa@ontario.ca

*Applies to eligible projects proposing to locate in a Prime Agricultural Area

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Step 3 - Municipal Support Confirmations

What is the purpose of a Municipal Support Confirmation?	**Confirms** the Proponent has engaged to the satisfaction of the municipality, including that the Pre-Engagement Confirmation Notice was sent, and that the **municipality supports the submission of the proposal to the IESO.** It does not guarantee that that project will be awarded a contract, nor does it supersede any permits required by law/regulation.
What is included as part of the Municipal Support Confirmation?	Included is project information and confirmation that (i) municipality received the Pre-Engagement Confirmation Notice at least 60 days prior to proposal submission deadline, (ii) municipality supports the submission of the proposal, (iii) proponent has undertaken (or has committed to undertake) community engagement activities, (iv) specific requirements for projects locating on agricultural land have been met, if applicable.
When is a Municipal Support Confirmation required?	A Municipal Support Confirmation is a LT2 RFP mandatory requirement and is required as part of the **proposal submission**.
How is the requirement evidenced to the IESO?	A Municipal Support Confirmation is evidenced via the **Prescribed Form: Evidence of Municipal Support.**
Can a municipality create their own Municipal Support Confirmation?	**Yes,** to assist with ensuring all required information is included in the resolution the IESO has provided a Guidance for Municipalities section as part of the Prescribed Form: Evidence of Municipal Support

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Step 4 - Contract Award and Beyond

What is the role of municipalities post-contract award?	Municipalities can expect to **continue to work with the successful Proponents** to ensure project alignment with their community interests and requirements, as well as all applicable laws/regulations. If the project is located in a Prime Agricultural Area, the municipality will also **review the AIA Components Two and Three Requirement**.
What occurs prior to construction?	Before construction, **appropriate permits and approvals must be obtained**, including but not limited to: a site plan approval, zoning permits or amendments (if required), environmental approvals (including engagement and consultation requirements with Indigenous communities), regulatory approvals, grid connection approvals, and permits for new roads and other infrastructure.
What happens if the project we support is not awarded an IESO contract?	Projects that are not awarded a contract in the first window of the LT2 RFP could **participate in subsequent procurement windows**, if the Municipality and developer are interested.
Who is responsible for ensuring a project is decommissioned after a contract has concluded?	A decommissioning plan is a key component of the **Renewable Energy Approvals (REA) process** as determined by the Ministry of Environment, Conservation, and Parks. Decommissioning must be carried out in accordance with the REA process and since this occurs after a contract has concluded no conditions have been included in the LT2 RFP regarding decommissioning.

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Step 4a - AIA Components Two and Three Requirement*

What is the AIA Components Two and Three Requirement?	Impact assessment and **measures to minimize and mitigate**. It involves a site-specific assessment of potential agricultural impacts in the study areas, and **outlines strategies that will be incorporated into the project design** to minimize and mitigate identified impacts.
Who completes the AIA Components Two and Three Requirement?	The AIA Components Two and Three Requirement is **completed by the successful Proponent** and then **reviewed to the satisfaction of the Local Municipality**.
When does this requirement need to be met?	The AIA Component One Requirement must be met within **18-months of contract award**.
How is the requirement evidenced to the IESO?	The Local Municipality, via the **Exhibit T: Form of AIA Confirmation Certificate**, confirms that they have received and accepted the documentation from the successful Proponent.
Are there resources available to aid municipalities in the review of the documentation?	**Yes**, OMAFA AIA Components Two and Three Guidelines are under development, LT2 AIA QA V3, to speak to a Ministry staff person, please reach out to the Agricultural Information Contact Centre (AICC) at 1-877-424-1300 or ag.info.omafa@ontario.ca

*Applies to successful projects located in a Prime Agricultural Area

Permits and Approvals

Oversight by other government organizations will ensure projects are safe and appropriately sited, more details are in the Municipal Guide:

- **Environmental Assessments (EA):** The Ontario Ministry of the Environment, Conservation and Parks (MECP) provides guidance on environmental approval requirements and enforces compliance with environmental laws. Most solar, wind or bio-energy projects in Ontario will require a Renewable Energy Approval (REA) and smaller renewable projects may be eligible to register through the Environmental Activity Sector Registry (EASR). Waterpower facilities and Natural gas facilities may require a comprehensive or streamlined Environmental Assessment (EA), followed by subsequent permissions including Environmental Compliance Approvals or registration on the EASR depending on the impacts of the projects. For general inquiries: REAprogramdeliverability@ontario.ca

- **Land Use and Municipal Requirements:** The Ontario Ministry of Municipal Affairs and Housing (MMAH) is responsible for the Planning Act, which provides the legislative framework for land use planning in Ontario, and the Provincial Planning Statement (PPS), which provides province-wide policy direction on the province's interests in land use planning.

- **Agricultural Land:** The Ontario Ministry of Agriculture, Food and Agribusiness (OMAFA) has published a draft guidance document for Agricultural Impact Assessments (AIAs). For general inquires, please contact OMAFA at: ag.info.omafa@ontario.ca

- **Crown Land:** The Ontario Ministry of Natural Resources (MNR) leads the management of Ontario's Crown lands, including making Crown land available for renewable energy projects. For general inquires, please contact MNR at: MNRFRenewableEnergySupport@ontario.ca

- **Fire and Safety:** Third parties such as the Electrical Safety Authority, Technical Standards and Safety Authority ensure that project proposals and development comply with all applicable laws and regulations.

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Resources

The following provides some **IESO resources** related to the LT2 RFP that can assist municipalities with the process. Links to more resources can be found in the LT2 Municipal Guide:

- LT2 Municipal Guide – contains information to help municipalities with the RFP process
- LT2 RFP Webpage – this includes RFP, Contract and prescribed forms
- OMAFA Guidelines for the LT2 AIA Component One Requirement & LT2 AIA QA V3
- Government Directive and amendment: November 2024 (Directive to launch the LT2 RFP) and June 2025 (amendment to the Directive)
- June 6, 2024, joint letter from Ministry of Energy and Ministry of Agriculture, Food and Rural Affairs outlining the considerations to protect Prime Agricultural Lands and Speciality Crop Areas as part of the IESO's LT2 RFP

Partner Resources:
- Association of Municipalities of Ontario: Municipal Energy Procurement Toolkit
- Technical Standards & Safety Authority in Ontario focuses on public safety within the energy sector by ensuring the safety of energy-related infrastructure and operations
- Electrical Safety Authority regulates and promotes electrical safety in Ontario.

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Discussion

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Next Steps

Next Steps

- Reminder: The **first LT2 RFP proposal submission window is open as of June 27, 2025.**

  - o Proposal Submission deadline for the **energy stream is October 16, 2025,** and for the **capacity stream is December 18, 2025**.

- Municipal questions about the LT2 RFP can be directed to CommunityEngagement@ieso.ca

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

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Thank You

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