

# Long-Term RFP Feedback and IESO Response

## Long-Term RFP Information Session for Municipalities – September 20, 2022

Following the Long-Term Request for Proposals (LT RFP) Community Engagement Municipal Breakout discussion held virtually on September 20, 2022, the Independent Electricity System Operator (IESO) invited feedback on the presentation materials and how the IESO can support municipalities in this initiative. The presentation materials and a recording of the sessions are available on the dedicated [Community Engagement webpage](#).

**Note:** The Expedited Process (E-LT1 RFP) schedule has been revised. The final E-LT1 RFP and Contract, which were scheduled to be published on November 1, has a new publishing date of December 6, and the Proposal Submission deadline delayed to February 16, 2023. The extension provides proponents additional time to engage with communities and consider the outcomes of the deliverability testing process. Final materials are available on the IESO's Long-Term RFP and Expedited Process [webpage](#).

### Summary

This document provides a summary of the key themes that emerged from feedback received along with IESO responses to the feedback. The IESO appreciates all of the input, which will be considered in the next stages of the procurement process development.

Written feedback was received from the following parties and posted on the Long-Term RFP [Community Engagement webpage](#):

- [Association of Municipalities of Ontario](#)
- [City of Kingston](#)
- [City of Waterloo](#)

- [Municipality of Dutton Dunwich](#)
- [Municipality of West Elgin](#)
- [Town of Tecumseh](#)

## Theme 1- Design of Community Engagement Requirements

**Feedback:** Further detail and clarification was requested on the design of the community engagement requirements. Municipalities are interested in understanding what constitutes a public meeting and how they will be involved in this meeting.

**IESO Response:** The procurement documents related to the first long-term RFP (LT1 RFP) and associated Expedited Process (E-LT1 RFP), including the [Draft E-LT1 RFP](#) and the [Draft E-LT1 Prescribed Form: Community Engagement Requirements](#), were made available on the IESO [website](#) for review by stakeholders.

Section 2.1(f) of the E-LT1 RFP sets out the details of the mandatory requirements related to Community and Indigenous Engagement, including related to the Project Website, community and Indigenous engagement plan, and public community meeting. Details provided in the RFP include for example, the content of the Project Website, and the length of the public community meeting notice periods. Local Municipalities in which the Project Site is located, in whole or in part, must be notified of the public community meeting. The public community meeting must be open to the public at large, and can be held in person or virtually, between January 27, 2022 and the Proposal Submission Deadline. The Proponent must communicate the following at the meeting, and conduct a question-and-answer period where members of the public have an opportunity to ask questions: (1) the identity and contact information of the Proponent; (2) the name, nameplate capacity and generating or storage technology of project; and (3) a scale map showing the boundaries of the Project Site, location of the Connection Point and the Connection Line.

These requirements have been informed by the feedback received from municipalities over the course of this dedicated Long-Term RFP community engagement process. The final E-LT1 RFP and Contract take into consideration the feedback received through this engagement initiative.

**Feedback:** A range of recommendations surrounding the design of community engagement requirements were received. Municipalities want to ensure that adequate information, such as the potential impact of the project, is being made available for public consumption in a timely manner.

Key to the design of the community engagement plan and public meeting requirements is to ensure that the requirements support a fair, equitable, meaningful, collaborative, mutually beneficial consultation process as proponents collect and address community feedback. A concern was raised that the current requirements only present an opportunity for the Proponent to promote their business agenda. Municipalities want to be informed and consulted throughout the entire project development process.

The IESO's public meeting requirements should ensure that proponents advertise their public meetings in an accessible format. Notices should be distributed to property owners located in the

surrounding area of the project site. The IESO should also consider aligning the LT RFP public meeting requirements with applicable *Planning Act* requirements for Official Plan and Zoning By-law amendments.

**IESO Response:** Thank you for your feedback. Throughout the engagement activities, the IESO is encouraging all interested parties to provide input into the procurement design. Seeking input from municipalities is critical to the success of the long-term procurement design and implementation. In addition, the IESO has encouraged Proponents to work with local municipalities and communities to ensure that projects are located in willing host communities.

Proponents are incentivized to approach any Municipality in which the Project is located early, since obtaining Municipal Support Confirmation results in rated criteria points. Where a Municipal Council Support Confirmation was not submitted at the time of Proposal Submission, Proponents are required to obtain that Municipal support, or evidence that all permits and approvals that are required to be issued by or on behalf of a Local Municipality for the construction, operation and maintenance of the Facility have been received or issued (Article 2.14 of the E-LT1 Contract).

Over the past six months, the IESO has incorporated feedback received into the design of the community engagement requirements. For example, based on feedback received, a requirement to deliver a notice of the public community meeting to each Local Municipality was incorporated. Additionally, a requirement for proponents to include a question and answer portion in the public meeting and then submit a copy of the public meeting minutes to the IESO was added. The IESO will continue to consider this feedback in the design of the LT1 RFP, including expanding the notice requirement beyond adjacent properties.

## Theme 2- Design of Municipal Support Resolutions

**Feedback:** Municipalities are seeking certainty that municipal support for a project is mandatory.

In general, lead times for obtaining Council approvals can be 5-6 weeks following the internal development of council materials. The timing of the municipal election presents further challenges to gather municipal support, in particular in advance of the E-LT1 RFP.

Municipalities need project information such as the type of project, location, and technology, in order to make an informed choice on offering municipal support as they need to consider their local needs and circumstances.

**IESO Response:** Thank you for this information and feedback. Where a Project is located in whole or in part on land subject to the authority of a Local Municipality, Proponents were encouraged to obtain Municipal Support Confirmations prior to Proposal Submission, as doing so allows the Proponent to obtain rated criteria points (Section 4.3(d) of the E-LT1 RFP). The Municipal Support Confirmation is required to include information relating the name, technology and Maximum Contract Capacity of the Long-Term Reliability Project, and could take one of the following forms:

- Municipal Support Resolution;
- Municipal Support Confirmation Letter; or
- Blanket Municipal Support Resolution.

The E-LT1 Contract requires that, where a project is located on lands subject to a Local Municipality and the Supplier did not submit a Municipal Support Confirmation at the time of Proposal Submission,

within sixty days after the 18-month anniversary of contract execution, the Supplier must submit either: i) a Municipal Support Confirmation dated after the Proposal Submission Deadline, or ii) confirmation that all permits and approvals that are required to be issued by or on behalf of a Local Municipality for the construction, operation and maintenance of the Facility have been received or issued. The optionality between obtaining support ahead of Proposal Submission or after the contract date was provided to take into account concerns raised by Municipalities and communities as it pertains to the expedited nature of the E-LT1 RFP and the 2022 municipal elections, with concerns that obtaining municipal support ahead of Proposal Submission was not possible.

The IESO acknowledges that municipal support can take time to obtain. Proponents are encouraged to reach out the municipalities as early as possible to discuss potential projects.

**Feedback:** While it is understood that the resolution does not supersede any applicable permits or approvals required for the project in the future, it may put municipalities in a difficult position should challenges with those permits or approvals arise in the future.

The alternative of providing a blanket letter of support that indicates a municipality is in favour of a project (without any details), must not bind the municipality to acceptance of the project without further details. The alternative of allowing for a formal delegation of the issuance of a Municipal Support Confirmation Letter (project-specific) to the Chief Administrative Officer, or equivalent, should be considered.

**IESO Response:** The Prescribed Form- Rated Criteria Evidence of Municipal Support, available on the IESO's Long-Term RFP and Expedited Process [webpage](#), includes language that identifies that any resolution issued should state that the Local Municipality supports the development, construction and operation of the Long-Term Reliability Project on the applicable Municipal Lands.

The statement in such resolution may be qualified as being solely for the purposes of enabling the Proponent to receive Rated Criteria points under the E-LT1 RFP or to satisfy its obligations under any contract awarded under the E-LT1 RFP, and may specify that it does not supersede any applicable permits or approvals under applicable Laws and Regulations that may be required for a particular Long-Term Reliability Project.

### Theme 3- Guidance to Support Municipal Decision Making

**Feedback:** It is important that Councils and the public be educated on the need for these projects and the types of technology in order to prepare for the process and the proponents that are beginning to reach out.

Regular sharing of project information, in particular toward the end of 2022 and into 2023, with municipalities and with residents would be helpful.

**IESO Response:** The IESO continues to be committed to making the most up-to-date information about the procurement publicly available. The current procurement timeline and all procurement related documents can be found on the IESO's Long-Term RFP and Expedited Process [webpage](#). Results of the procurement will also be posted on the webpage.

The IESO also continues to participate in outreach and engagement activities with municipalities, such as presentations, meetings, and interactions, to raise awareness about the need for new electricity supply, seeking input on the procurement design and discussing the role of municipalities in the procurement process. Outreach and engagement will be ongoing to keep communities informed and provide opportunities for input.

**Feedback:** The IESO should consider further aligning the IESO E-LT1 and Planning Act requirements. For example, seeking a Municipal Council Support Resolution in advance of Planning Act processes (i.e., Official Plan or Zoning By-law Amendment) is procedurally problematic for a municipality and could be perceived as prejudicing Council's decision making.

**IESO Response:** As part of the broader stakeholder engagement and outreach activities, the IESO has been encouraging proponents to reach out to municipalities as early as possible to work together on the project development process. As described above, Proponents have flexibility regarding when or whether to obtain a Municipal Support Confirmation, and if obtained, such confirmation can be qualified to specify that it does not impact or supersede Municipal decision making under another approval process, including a process under the *Planning Act*. Suppliers are required, under the E-LT1 Contract, to adhere to all applicable Laws and Regulations, including *Planning Act* requirements.

#### Theme 4: Other Applicable Information

**Feedback:** How does the possible extension of Pickering impact the overall procurement process?

**IESO Response:** The extension of Pickering nuclear to help meet needs in 2026 would provide additional reliability in the face of economic uncertainties and increasing electrification, complementing actions already being taken by the IESO to secure new supply. The IESO's current procurements have been designed to respond to the province's near and longer-term needs, balancing the contributions of existing facilities and the need for new supply as demand grows. The short-term (nine-month) extension of the nuclear facility would provide reliability assurance in the case of project implementation delays or operational challenges with new supply. The plans underway have been designed to meet Ontario's needs even if Pickering operation is not continued, particularly as Ontario has needs that persist beyond 2026.

**Feedback:** Municipalities have a unique role in managing economic development and community growth as they relate to infrastructure planning. Communities are responsible for accommodating new demand for electricity. More frequent engagements are needed to assess potential electricity infrastructure solutions between IRRP planning timelines every five years.

**IESO Response:** The IESO recognizes the importance of incorporating input from municipalities. Regional planning is one way the IESO seeks input to help identify future electricity needs. As part of the regional electricity planning process, a draft electricity demand forecast for the region is developed based on projected load growth supplied by the LDCs that indicates how much power the region needs over the next 20 years. Targeted outreach is conducted with local municipalities to gather input and information about planned growth and development that should be considered in

the electricity demand forecast – this is where we identify any gaps and adjust the draft forecast accordingly.

**Feedback:** Local Indigenous communities must be consulted and must be in support of projects being proposed on their Treaty Lands. Financial Support from communities located hundreds of kilometers away is not sufficient.

**IESO Response:** The IESO has taken steps to ensure that Qualified Applicants inform local communities, First Nation and municipal, of their intention to develop a project in their area. Qualified Applicants will also work with the appropriate government entity to determine if consultation is required as part of the regulatory approval process for their projects. Where a proposed Project Site is located in whole or in part on Indigenous Lands, (as defined in the LT RFP documents, but which refers generally to reserve land held by First Nations and lands held by Métis) those Indigenous communities have indicated their support (see Prescribed Form: Evidence of Indigenous Support). We expect many of the Project Sites to occur in southern Ontario. With its current approach, the IESO is seeking to encourage Indigenous partnerships, to support equitable community access to the financial and capability-building benefits of project partnerships. Challenges with this approach can be revisited in future procurements.