
JULY 30, 2024

LT2 RFP Webinar for Indigenous Communities and Municipalities

**Thank you for joining today's session
Please keep your cameras off and microphones muted**

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Carla Y. Nell, Vice-President of Corporate Relations, Stakeholder Engagement & Innovation

Barbara Ellard, Director, Resource and System Adequacy

Marko Cirovic, Senior Manager, Resource Development and Procurement

Sarah Feere, Analyst, Resource Acquisition, Resource Development and Procurement

Agenda

1. The Role of the Independent Electricity System Operator (IESO) and How We Work With Communities
2. Re-cap: Addressing Ontario's Electricity Needs
3. Overview of the Long-Term 2 Request for Proposals (LT2 RFP)
4. LT2 RFP Key Updates
5. Next Steps

Territory Acknowledgement

The IESO acknowledges the land we are delivering today's webinar is the traditional territory of many nations including the Mississaugas of the Credit, the Anishnawbe, the Chippewa, 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 of the traditional territories across the province, which includes those of the Algonquin, Anishnawbe, Cree, Oji-Cree, Huron-Wendat, Haudenosaunee and in addition to the Métis and Inuit peoples.



The Role of the IESO and How We Work With Communities

Carla Y. Nell, Vice-President of Corporate Relations, Stakeholder Engagement & Innovation



Connecting Today.
Powering Tomorrow.



We work with:



Communities Have a Key Role

Significant electricity system needs are expected over the next decade, and Indigenous communities and municipalities play a key role in advancing, managing, and shaping the ongoing energy transition, 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 resources



Working with project developers on the applicable approvals, and building partnerships, where applicable

Engagement on the LT2 RFP Since January

Since the beginning of the year, IESO has executed a number of actions to ensure uniform access to high-quality information to aid decision-making, including:



Hosted **3 Community Webinars**



Attended **7 Municipal Conferences**



Dedicated [landing page](#) and email



~500 Indigenous and municipal webinar participants



Shared **3 key updates**



Submitted LT2 RFP Report Back to Minister of Energy



Ontario's Electricity Needs

Barbara Ellard, Director, Resource and System Adequacy

Ontario's Changing Electricity Landscape



This is a **pivotal point** for the electricity system. Ontario is entering a period of growing needs – by 2050, electricity demand to grow by 60%.



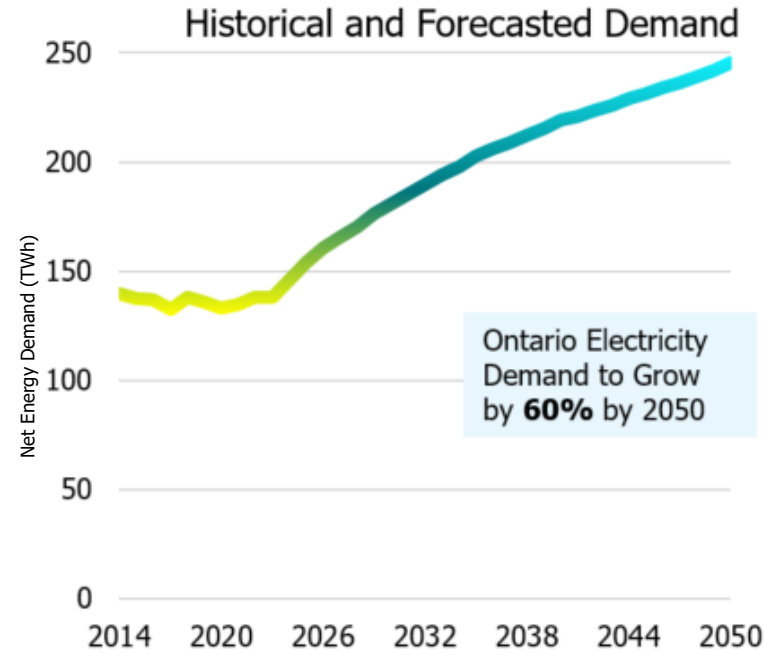
These needs are being driven by **economic growth, population growth and increased electrification**.



This demand growth is happening in the midst of expiring generator contracts, nuclear refurbishments and the elimination of emissions from the grid.



To address emerging needs, **a multi-pronged approach to meeting Ontario's growing electricity needs is being implemented**, including new supply and transmission.



Year



Connecting Today. Powering Tomorrow.

Meeting Electricity Needs

To keep pace with growth and enable increasing electrification, the IESO is supporting multiple initiatives:



Procurements for additional supply



Supporting the expansion of nuclear



Largest energy storage procurement in Canada



Expanded conservation programming



New electricity trade agreement with Quebec

Resource Adequacy Update

To address the emerging needs, a multi-pronged approach to meeting Ontario's growing electricity needs is being implemented:



Ontario's electricity **needs for this decade have been successfully met**, 3,658 MW of capacity secured through:

- Same Technology Upgrade Solicitation secured 286 MW
- Expedited Long-Term 1 (E-LT1) RFP secured 1,177 MW
- Long-Term 1 (LT1) RFP secured 2,194 MW



Needs emerging in 2030 will be addressed through the Long-Term 2 Request for Proposals (LT2 RFP).



Several other initiatives are planned or underway to meet upcoming electricity needs: Small Hydro Program, medium-term RFPs, annual Capacity Auction, enhanced energy efficiency opportunities.



Overview of the Long-Term 2 (LT2) RFP

Marko Cirovic, Senior Manager, Resource Development and Procurement

Long-Term 2 (LT2) RFP Overview

To meet the needs emerging starting in 2030, the IESO has initiated the LT2 RFP:



Needs will be addressed through two streams:



Energy: Resources able to inject energy at all times.



Capacity: Dispatchable resources that can be called on to inject energy at peak system conditions.



LT2 RFP engagement is ongoing with proposal submissions expected to be **due in 2025**.





The IESO's preliminary assessment has identified **connection availability for resources to be located across Ontario**, including potential for siting in northern Ontario.



Projects under the IESO's LT2 RFP procurement will be required to **adhere to government policy direction** for development on Prime Agricultural Areas and Municipal support requirements.

Long-Term 2 RFP: Streams at a Glance

Stream	Key Details	Policy Considerations
 Energy	<ul style="list-style-type: none">✓ New build energy producing resources✓ ~2,000 MW installed capacity by 2030	<ul style="list-style-type: none">✓ Rated criteria points for Indigenous participation & non-Prime Agricultural area siting✓ Municipal Support Resolution
 Capacity	<ul style="list-style-type: none">✓ New build capacity resources✓ ~500 - 1,000 MW to be in service by 2031	

Incorporating Feedback

Input received to date has been considered in the IESO's procurement design:

Frequently Shared Feedback

- Protect Prime Agricultural Areas.
- Municipalities want more control over the information required to be shared by the proponents.
- Broader and more advanced notice.
- Process that saves municipalities time.
- Streamlined approach with standardized information.
- Approach for development on Crown lands.

Next Steps

- ✓ IESO to implement policy direction received for siting projects on Prime Agricultural Areas.
- ✓ IESO recommends proponents and municipalities work together to determine the appropriate engagement approach.
- ✓ New LT2 RFP Deliverability Assessment.
- ✓ IESO is actively working with Ministry of Natural Resources to enable development on Crown Lands.



LT2 RFP Key Updates

Sarah Feere, Analyst, Resource Acquisition, Resource Development and Procurement

Minister's Letter: Protections for Agricultural Areas

Projects under the IESO's LT2 RFP procurement will be required to adhere to government policy for development on Prime Agricultural Areas.

Parameter	Next Steps
<ul style="list-style-type: none">• Rated criteria points for projects that avoid Prime Agricultural Areas.• No projects on specialty crop areas.• Prohibit ground-mounted solar projects on Prime Agricultural Areas.• All other projects require an Agricultural Impact Assessment to locate on Prime Agricultural Areas.	<ul style="list-style-type: none">• IESO will continue to work with government on the appropriate implementation of this policy, including evidence requirements for rated criteria points and guidance materials for Agricultural Impact Assessments.• Final LT2 RFP policy details are expected by fall 2024, and an update will be shared during future engagements.

Ongoing work with key ministries on key policy direction, including project siting on Crown lands/unorganized territories.

Agricultural Impact Assessment Details

To enact the Agricultural Impact Assessment requirements noted in the June 6 Ministers' letter, IESO is considering:

- what constitutes evidence of a satisfactorily completed Agricultural Impact Assessment (e.g. an attestation by the municipality)
- given that the Agricultural Impact Assessment will be a contractual requirement, what is the appropriate timing for this requirement to be met (e.g. 18 months post contract award but well prior to commercial operation, similar to municipal support in LT1)

The IESO will continue to work with government to refine these requirements and welcomes written feedback regarding the Agricultural Impact Assessment considerations. Feedback can be submitted to engagement@ieso.ca by **August 23, 2024**.

Preliminary Connection Guidance

Projects under the IESO's LT2 RFP will undergo a deliverability process to ensure resources can contribute effectively to addressing emerging reliability needs.

Key details include:

- A [Preliminary Connection Guidance Document](#) was released for the energy stream portion to provide information to help proponents select sites that will more likely contribute to addressing emerging system needs. The IESO and Hydro One are working towards providing a map of the transmission system, which will identify station and circuit names to be used in parallel with the guidance document.
- Work on preliminary guidance for the capacity stream portion of the LT2 RFP is in the early stages.
- IESO will meet with proponents, as needed, to provide further clarity around connection/ deliverability guidance.
- During proposal evaluation, projects will need to confirm they are deliverable, until procurement targets are met.

Indigenous Community Participation

The success of E-LT1 and LT1 RFPs is evidenced by significant Indigenous participation in projects. Building on this success the IESO will seek to mirror requirements from these past procurements:

- More rated criteria points were awarded based on increased levels of Indigenous economic interest
- Additional points were awarded to incentivize participation from Indigenous communities that were local to the project (i.e., communities who attested to the project being located on their traditional territory, treaty lands or homeland)

The IESO will seek to refine contractual parameters to ensure this success can continue.

Written feedback is welcome. Feedback can be submitted to engagement@ieso.ca by August 23, 2024.

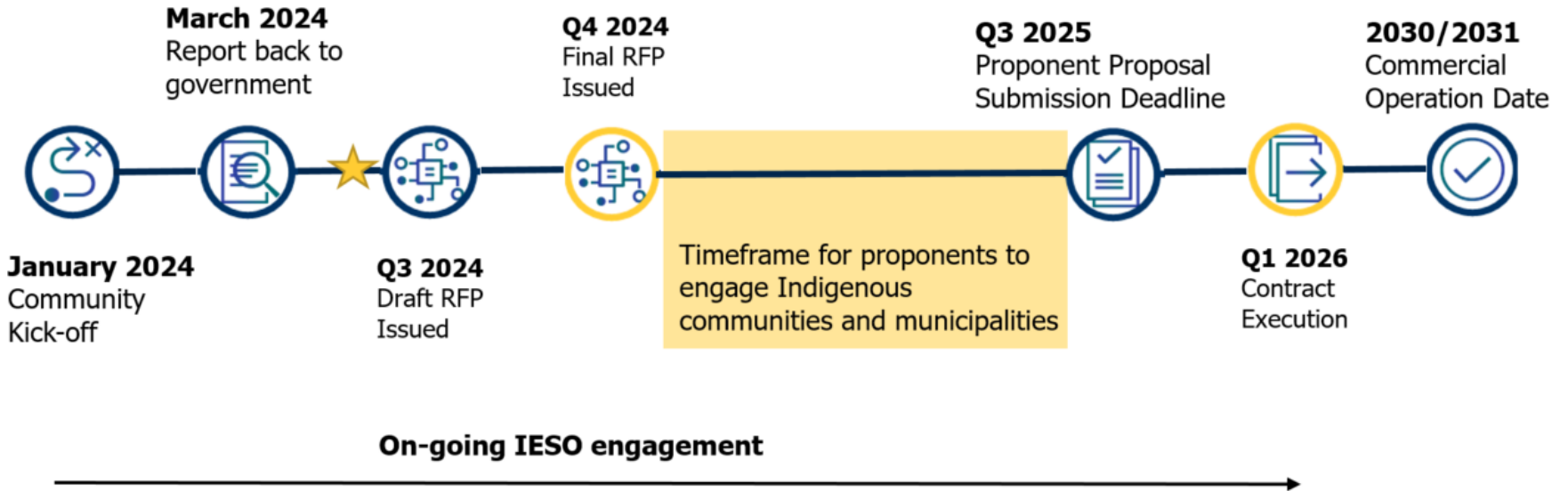
Community Engagement & Municipal Support

Based on feedback, the IESO is recommending to streamline the approach for municipal support and community engagement:

LT1 RFP Approach	Recommended LT2 RFP Approach
<ul style="list-style-type: none">• Municipal Support Resolution could be provided after proposal submission<ul style="list-style-type: none">• Rated Criteria Points awarded if Municipal Support Confirmation received before submission• Criteria included in RFP for mandatory community engagement such as project website, public meeting(s), notification	<ul style="list-style-type: none">✓ Streamlined process to empower municipalities and proponents to determine the appropriate engagement approach:<ul style="list-style-type: none">✓ Remove mandatory requirements in the RFP for community engagement; instead, the IESO will encourage 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 as measure that engagement has been completed in a satisfactory manner✓ <u>Municipal Support Confirmation is mandatory</u> from the proponent before proposal submission to signal that a community supports proposed projects moving to the next phase

Written feedback is welcome. Feedback can be submitted to engagement@ieso.ca by August 23, 2024.

LT2 RFP Timeline





Next Steps

Next Steps



Join the Indigenous or municipal discussion break-out session to ask questions and share feedback about the materials shared today.



The **IESO invites written feedback by August 23, 2024 for the LT2 RFP**. All written feedback should be submitted to engagement@ieso.ca.



For the LT2 RFP, the IESO will aim to continue engaging prior to the release of final RFP and contract.



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

Thank You



STAY INVOLVED

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- ✓ Join an engagement

CONTACT

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

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LT1 RFP High Level Results

Competitively procured additional 2,194 MW to meet needs emerging this decade:



1,784.22 MW of battery storage from 10 facilities ●

- Nine of out 10 projects have received a Municipal Support Confirmation.
- Nine proposals have 50 per cent or more Indigenous economic interest.



410.69 MW of gas and biofuel generation from three facilities ●

- All received municipal support.

