

Feedback Form

Long-Term 2 RFP – April 21, 2026

Feedback Provided by:

Name: Richard Laszlo

Title: Coordinator

Organization: CHP CAN

Email: [REDACTED]

Date: May 8, 2026

To promote transparency, feedback submitted will be posted on the Long-Term 2 RFP engagement page unless otherwise requested by the sender.

- NO - There is confidential information, do not post**
 YES - Comfortable to publish to the IESO web page

Following the April 21st Long-Term 2 RFP engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the items discussed. The presentation and recording can be accessed from the [Long-Term Procurement engagement webpage](#).

Note: The IESO will accept additional materials where it may be required to support your rationale provided below. When sending additional materials, please indicate if they are confidential.

Please submit feedback to engagement@ieso.ca by May 8, 2026.

Transparency and Information Disclosure

Do you have feedback on whether the IESO should publish additional non-price information about proposals that were not selected in LT2 Window 1?

A sense of the total number of submissions would be helpful to understand size of the market, as well as the deliverability results.

Do you have feedback on the potential benefits and risks of increased transparency for unsuccessful proponents in future procurement windows?

Repowering Eligibility Framework

Do you have feedback on the proposed requirement that facilities complete a minimum of three years of a medium-term contract before becoming eligible for repowering?

We do not support the requirement that a repowered facility needs to complete a minimum of 3 years of an MT2 contract before becoming eligible to apply to LT2. **We are also not clear on what problem the IESO is trying to solve with this requirement – could the IESO please provide additional clarity on why you are putting forward this requirement?**

Our position is that the IESO should:

- Allow facilities that want a short-term contract extension to proceed via MT procurement.
- Remove the requirement that repowering facilities must complete an MT contract before competing with new builds in the LT procurement.
- Allowing new and repowering facilities to compete without the MT requirement will result in lowest cost power for customers.

Our opposition to the “MT first” requirement is based on the following:

- Not all facilities that have completed an initial 20-year contract have enough life left in them to complete a 3-year MT contract without significant investment.
- There are some facilities that may be ready to make significant investments now to upgrade existing sites to be able to apply to an LT procurement.
- There are also other older facilities that never entered a contract with the IESO that could apply to an LT2 procurement as a repowered facility – our position is that they should be eligible to apply without fulfilling an original contract and MT2 contract, since in either scenario either project shall meet the requirements of an LT2 contract.

The reality with generation sites is that they are all different – shoehorning every site into this framework where an MT contract must be completed first adds administrative, operational, and financial complexity, and will result in higher prices.

If the IESO is trying to reduce administrative burden and secure the most possible bids, then the best approach would be to run the MT stream and the LT streams as separate procurements, giving proponents the flexibility to choose which stream makes the most sense given their circumstances.

If the IESO is trying to secure the lowest prices, then the best approach would be to separate the procurements into a “new build stream” and an “existing sites stream”, using the methodology for setting a repowering cap for that stream. Rather than focus on the definition of repowering, the emphasis should be on “existing sites”, defining those facilities as having at some an operational generator, with electrical connections to the grid in place and all permitting/approvals secured. Contrary to the IESO’s stated position on slide 35 of the presentation, this approach would result in lower overall prices, because existing facilities would have to keep their bids competitive with peer sites, rather than allowing them to compete with new builds that would naturally bid in with higher prices.

We support a program that provides maximum flexibility to proponents and suggest that the IESO use other means to ensure that sufficient repowering and new build facilities are contracted to secure needed energy and capacity for Ontario.

Do you have feedback related to scenarios where repowering work may overlap with existing contract obligations?

Alternate Eligibility Pathways for Repowering

Do you have feedback related to specific existing facilities that do not fit into the proposed repowering framework and may justify an alternate pathway? Please include as much detail as possible (technology type, facility age, contract history etc.).

Recognizing that such details are important to the IESO’s decision making in this matter but potentially also commercially sensitive to asset owners, please feel free to mark such details as confidential on this form or, alternatively, reach out to the IESO by email to schedule a meeting to discuss your situation.

Definition of Repowering

Do you have feedback on the definition of repowering? i.e., on the potential use of technology specific equipment replacement thresholds to define repowering?

We recommend instead that the IESO consider a definition of “existing site” vs. repowering. As stated above, existing sites would be defined as those facilities as having at some point an operational generator, with electrical connections to the grid in place and all permitting/approvals secured. Under our proposal to separate existing sites from new build, a definition of repowering would not be required.

Should the IESO need to define repowering, then it should include the substantial replacement of equipment and components at a generation facility. This could be measured by % of original capital investment required for repowering, e.g. >50%.

Repowering Guardrails and Risk Mitigation

Do you have feedback on the use of enhanced independent engineer certification as a key safeguard for repowering projects?

Our position is that the existing contract provisions already address this issue – the risk is with the proponent to ensure the project will work.

Do you have feedback on the potential application of modified or increased performance security requirements for repowered facilities?

We support requiring an increased performance security requirement for existing facilities.

Do you have feedback on whether these proposed guardrails are sufficient to manage performance and longevity risks?

Deliverability Guidance and Timing

Do you have feedback on the IESO’s proposed phased approach to deliverability guidance updates for LT2 Window 2?

We support the approach taken under LT1 whereby the IESO conducted a deliverability test process in advance of the procurement so proponents would have as much information as possible to narrow their focus on the best projects, and avoid bidding, with consequential financial commitments, for projects that can’t meet the deliverability test.

General Comments/Feedback

Do you have additional feedback to share with the IESO?

Level the playing field for engines and turbines: Natural gas engine and associated equipment manufacturer lead time has extended due to the unprecedented data build out, and we recommend that the IESO introduce a similar contract provision to what the IESO has put in place with gas turbines to apply to gas engines as well and put both on a level playing field.

Remove late delivery penalties: Given the volatility and long lead times in ordering equipment, we recommend removing late delivery penalties, provided the proponent can show good faith in making expenditures in a timely fashion and attempting to mitigate project implementation risks.

Opportunities to shorten the procurement process: We recommend that the IESO seek opportunities to shorten the decision-making process and reduce the time between bid and contract execution – given the long lead times and price volatility involved with equipment ordering, reducing the time required to get to contract execution derisks projects and results in better value for ratepayers.

Recognizing smaller, distribution connected generation: We recommend the government recognize the advantages that come from smaller, distribution-connected generation by providing these projects with priority procurement points or alternatively establishing targets for these projects (less than 25 MW) for a portion of the LT2 procurement target (e.g. 150 MW). The rationale for this recommendation is as follows:

- Smaller projects are often easier to site and are more favourable from a permitting perspective, as they cause less impact on land-use, infrastructure, and other planning considerations
- Distribution-connected projects have less impact on the bulk power grid, compared to very large projects that take up considerable transmission capacity.
- Smaller projects are not subject to the Canadian Clean Electricity Regulations (CER) that would impact contracted gas generation facilities greater than 25 MW.
- As smaller and <25MW projects would not be subject to CER limitations, they would be in a much stronger position to comply with the LT2 must-offer obligations, providing the reliable capacity and energy the IESO is seeking while also providing what taxpayers paid for, for the whole term for the 20-years contract. By contrast, a smaller number of larger projects could cause reliability stresses should they opt to run in safe standby mode after 2035, with taxpayers still requiring to have financial obligations for the capacity payments for such larger scale generators.

Encourage behind the meter generation: We recommend that the program allow generators to serve local loads as well as export to the grid when available / needed, rather than restricting the program to export only. There is precedent for this in CHP contracts at industrial and institutional facilities that allow the CHP units to play a dual role in providing both reliable power to facility loads as well as energy and capacity to the grid. Many industrial facilities with potential for repowering or new CHP facilities have equipment physically connected behind the meter.

Allow for flexible metering arrangements at behind the meter sites: We recommend the IESO allow these industrial facilities to participate in the LT2 without adding prohibitive costs required

to reconfigure these generators to be connected directly for export in a dedicated meter to LDC distribution systems. Behind the meter configurations provide critical energy and capacity to industrial sites across Ontario, while providing essential critical backup power benefits that support business continuity during power outages. Strategically placed revenue-grade metering could be a solution that would allow these behind the meter facilities to participate in the LT2. Allowing facilities that are currently limited to behind-the-meter only to also export and provide capacity is in the best interest of ratepayers.