# Feedback Form

## Long-Term 2 RFP (Window 2) – October 14, 2026

### Feedback Provided by:

Name: Faizan Farooqi

Title: Founder & Principal

Organization: Sedona Renewables Inc.

Email:

Date: October 28, 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 October 14th, Long-Term 2 RFP Window 2 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 October 30, 2026.**

SEDONA RENEWABLES INC.

Development | Procurement | Delivery

FORMAL STAKEHOLDER FEEDBACK

# LT2 RFP | Window 2

Energy and capacity procurement | October 14, 2026 engagement

| | |
|---|---|
| **Submitted by** | Faizan Farooqi \| Founder & Principal, Sedona Renewables Inc. |
| **Submission date** | October 28, 2026 |
| **Consultation deadline** | October 30, 2026 |

**Position in brief.** Sedona welcomes competitive procurement that delivers reliable capacity and energy at an efficient risk-adjusted cost. From an owner-side development, preconstruction and project-delivery perspective, an investable bid depends on six independently demonstrable matters: **deliverability, permitting, meaningful Indigenous and host-community engagement, a credible financing and construction plan, technically qualified supply chains, and identifiable contractual revenue rights**. I request requirements that improve execution certainty without displacing the Crown's consultation responsibilities or imposing unbounded third-party risk on proponents.

**Why I am submitting these comments.** I am Faizan Farooqi, Founder & Principal of Sedona Renewables Inc. My perspective comes from more than 15 years in power and renewable energy infrastructure, including senior owner-side development and project-delivery responsibilities. I have worked closely with developers, investors, banks and lenders, legal counsel, engineering and construction teams, equipment manufacturers, and the people responsible for operating assets and managing revenue and performance obligations. These are practical observations about the decisions that determine whether a bid becomes a bankable, permitted, constructed and operating project. During September and October 2026, I attended Energy Storage Toronto, Climate Week NYC, Electricity Transformation Canada (ETC), and Industry Connect Canada. Conversations with people working directly on project development, equipment, financing, grid connections and industrial energy use repeatedly highlighted the value of clear rules before capital is committed. *The recommendations are my synthesis, not a formal survey or an endorsement by any attendee, conference, organization, First Nation or community.*

## Executive recommendations

- Publish version-controlled, decision-grade interconnection guidance and a realistic interval between final guidance and bids.
- Use a documented project-readiness framework for grid, land, permitting, financing and construction interfaces.
- Preserve early, meaningful engagement with Indigenous communities, including practical capacity-building and equitable participation opportunities.
- Treat Ontario's October 27, 2026 utility-governance and permitting announcements as evolving policy context, not already-effective project approvals.
- Calibrate non-performance and NWA scoring to transparent engineering criteria, rather than unpriced assumptions.
- Publish a contract-specific map of monetizable energy, capacity, ancillary and environmental-attribute value, including safeguards against double commitment.
- Require proportionate, staged OEM and independent-engineer qualification rather than unsupported vendor claims or prematurely binding purchase orders.

## 1 | Deliverability before price competition

The October IESO engagement anticipates final deliverability guidance by July 2027 and LT2 energy submission in Q3 2027. Preliminary connection guidance was issued in October 2026. Developers need time to validate interconnection feasibility, regional constraints, substation scope, upgrades, utility timelines and contractual risk before final project pricing.

**Request.** Publish zone/circuit assumptions and known upgrade dependencies with confidence levels, an effective date, change log and clarification route. Identify whether the issue is transmission deliverability, distribution capacity or third-party approval. Where materially updated guidance alters feasibility or cost, provide a reasonable bid-adjustment interval supported by pre-defined eligibility criteria.

The October 27 PULSE report and government response emphasize distribution utility planning, financing and workforce preparedness. Proposed 10-year asset, financing and workforce plans can improve regional visibility, but are not a substitute for specific, funded project connections. The IESO should coordinate data alignment with local utilities and the Ontario Energy Board without presenting proposed reforms as enacted requirements.

## 2 | A measurable readiness gate reduces cost of capital

The IESO should distinguish a low bid from a project capable of reaching commercial operation. Sedona recommends a proportionate readiness evidence schedule at bid stage, without unnecessarily disadvantaging smaller proponents or Indigenous partnerships.

**Request.** Standardize disclosure of site-control status, geotechnical and constructability assumptions, grid and utility interface map, preliminary environmental/archaeology pathway, long-lead transformer and switchgear strategy, schedule critical path, contingency assumptions and financing milestones. A concise exception register could show what remains uncertain and who owns the next decision.

For investors and lenders, the value is not additional documentation for its own sake. It is a traceable mapping from assumptions to contingency, the schedule to reach notice-to-proceed, and evidence that the project remains financeable through COD.

## 3 | Allocate grid-side delay and interface risk by control

Proponents should be accountable for procurement, design, construction and timely submissions within their control. They should not have to price unlimited risk for an identified network upgrade, inspection or connection approval controlled by another party.

**Request.** Define objective milestone-relief conditions tied to notice, mitigation, documentation, critical-path impact and evidence of third-party delay. Separate ordinary development uncertainty from a post-award material change to published grid assumptions. Publish an illustrative timing case for a delayed third-party network reinforcement.

## 4 | Indigenous rights, participation and sustained relationships

Indigenous and First Nations relationships should be part of project formation, not a late-stage bid-compliance exercise. The IESO already has a dedicated LT2 community engagement process and includes Indigenous participation in rated criteria. Community ownership incentives are valuable, but an ownership percentage by itself does not establish informed participation, robust relationships or respect for rights.

**Request.** Ensure procurement documents distinguish: (a) the Crown's constitutional duty to consult and, where required, accommodate; (b) developer-led good-faith relationship-building and project engagement; and (c) voluntary commercial equity and benefit-sharing arrangements. Nothing in procurement scoring should imply that a private partner replaces the Crown's duty.

Provide clear guidance, appropriate time and proportionate funding access to support community-led technical, legal and financial review. Allow flexibility for participation structures, consent-based information-sharing, culturally appropriate engagement schedules and agreements that address construction impacts, procurement opportunities, training, long-term monitoring and operations. Avoid imposing arbitrary deadlines that force Indigenous communities to negotiate before receiving material technical and financial information.

Sedona does not purport to represent Indigenous governments or prescribe commercial terms. The request is for informed participation while project decisions remain open.

## 5 | Municipal and host-community engagement is a delivery dependency

Good engagement is not simply obtaining a resolution. Project proponents should disclose the proposed land use, construction traffic, sound, agricultural implications, fire and emergency response planning for BESS where applicable, visual footprint, community benefits and a credible grievances/response process.

**Request.** Publish a stage-gated, plain-language host-community evidence framework: who was contacted, issues raised, documented commitments, response owners, and how the design changed where appropriate. Maintain clarity around the specific LT2 municipal-support requirements; the October 27 provincial proposal concerning municipal support for new landfills should not be mistakenly treated as removing support requirements for electricity procurement.

## 6 | Permitting modernization: faster processes, not presumed approvals

On October 27, Ontario introduced the *Building Ontario Faster Act, 2026*. Among its proposals is an update to archaeological approvals under the Ontario Heritage Act using risk-based registration and authorization pathways. As of this submission, these changes are proposed and implementation details remain subject to further process. They should not be modeled as already effective for an LT2 project.

**Request.** Encourage proponents to identify the actual permitting pathway and jurisdiction for each site. Publish a non-binding dependencies checklist that distinguishes land-use, environmental, species, archaeology, municipal, conservation, Indigenous engagement, transmission/distribution approvals and construction permits. Where statutes or regulations change, allow justified schedule amendments rather than assuming every proposed streamlining measure applies to all projects.

The October 27 Ontario archaeological proposal explicitly retains consideration of Aboriginal and treaty rights. Accelerated project delivery must preserve lawful consultation, adequate cultural-heritage information and community capacity for meaningful participation.

## 7 | Solar non-performance must be evidence-based

The draft LT2(e-2) approach reduces the solar non-performance threshold from 0.20 to 0.10 while retaining 0.20 for other technologies, reflecting the IESO's concerns about differences in production variability and strategically unrealistic monthly imputed production factors.

**Request.** Publish a worked calculation, historical variability rationale and transparent resource assessment methodology. Permit an independent engineer's documented production profile and recognized curtailment/force-majeure treatment to

be considered. Provide controls for unrealistic monthly allocations without generating disproportionate downside exposure from reasonable weather variability.

## 8 | NWAs: measure, value and verify transmission deferral

IESO proposes one Rated Criteria point, not a separate posted payment or tariff, for specified non-wires alternatives (NWAs) that may defer a transmission investment. The October 14 presentation identifies Sault Ste. Marie (95 MW gas), Kirkland Lake (50 MW solar/gas), and Belleville DESN (10 MW solar or 60 MW storage), subject to the stated circuit, technology and eligible-MW restrictions. One point can improve a proposal ranking but cannot be underwritten as a recurring $/MW-year capacity-relief revenue stream.

**Request.** Publish a locational service specification for each eligible NWA: affected circuits, maximum credited MW, relevant contingency or peak hour, dispatch duration and frequency, network deferral date and duration, testing requirements, measurement methodology and consequence if the initially identified network investment proceeds. Identify which operational conditions cannot be met by the listed technologies and allow a documented engineering-equivalence pathway where performance can be demonstrated.

**Request.** Explain how the one-point credit was calibrated against the IESO estimated system value and incremental ratepayer benefit. Publish an indicative methodology, sensitivity band or avoided-cost reference case where commercially permissible - rather than a misleading uniform tariff. Clarify whether an LT2 NWA-scored project can enter a separate local flexibility arrangement, who procures and pays for that service, and how overlapping transmission, distribution and resource-adequacy benefits will be netted and verified.

## 9 | Storage duration, regulation readiness and contract certainty

The IESO is separately evaluating an MRI-based accreditation method while also considering evolving storage value in procurement. Its illustrative resource values are not, by themselves, LT2 contract terms. Any storage-duration scoring or qualification change should be published with a stable bid-applicable rule before offers are submitted.

For LT2 capacity facilities subject to future regulation-readiness requirements, define precisely what equipment, ramp, communications and test readiness is expected at COD; distinguish "regulation-ready" from an obligation to provide the service without a separate market contract or compensation.

## 10 | Supply-chain qualification across the delivery value chain

The October 14 presentation identifies Canadian content as an unresolved policy item. The October 9 draft LT2(e-2) and LT2(c-2) contracts include bracketed Canadian-content provisions derived from the Long Lead-Time RFP; those provisions should not be treated as finalized procurement requirements. Procurement should also respond to grid-forming and weak-grid requirements identified in the Window 2 deliverability presentation. A low equipment quote is not equivalent to an independently verifiable design or an available manufacturing slot.

**Request.** Publish an equipment and supplier qualification crosswalk, differentiated by resource type and stage, rather than a one-size-fits-all mandated brand list. At bid stage, request documented compliance/equivalence, production slot assumptions and exceptions; before notice to proceed, require evidence appropriate to the awarded plant and interconnection conditions.

**Request.** Include clear qualification and substitution pathways for Tier-1 and Tier-2 components, with predictable review periods and no automatic loss of eligibility for technically equivalent substitutions arising from a documented vendor insolvency, tariff change or production delay. Where Canadian-content incentives are finalized, publish scoring,

definitions, traceability method, third-party audit evidence and the treatment of import tariffs before prices are locked.

**Request.** Allow independent engineers to certify material assumptions against defined deliverables, with a sensible boundary between bid-stage design maturity and detailed engineering. Clarify whether grid-forming inverters, dynamic-model validation, and stability solutions may enable access at lower minimum short-circuit ratios (MSCR), as described in the October 14 presentation. Any such qualification must be supported by models and performance tests rather than unsupported OEM assurances.

## Technical and commercial qualification crosswalk

| Risk / dependency | Requested IESO clarification | Why it matters |
|---|---|---|
| PV/BESS technology | Model- and site-specific standards, fire and safety plans, degradation/augmentation, warranty and availability | Safety, reliable output, predictable replacement CAPEX |
| Inverters / grid controls | Validated EMT/RMS models, protection coordination, reactive capability, plant controller and MSCR/GFM assumptions | Avoid grid-stability surprises and failed acceptance |
| HV and interconnection | Transformer and switchgear datasheets, FAT/QA and traceability, utility interface and energization windows | Protect long-lead schedule and grid readiness |
| Construction / commissioning | EPC execution plan, civil/geotech assumptions, integrated FAT-SAT, cybersecurity/SCADA tests | Clear accountability through COD |
| Supplier and finance | OEM production allocation, spares/service, performance security, bankability and approved substitutions | Compare whole-life rather than headline equipment cost |
| Local and Indigenous value | Realistic contractor opportunities, skills transfer and voluntary community procurement commitments | Measurable participation without token compliance |

## 11 | Bankable revenue rights: distinguish five different value streams

LT2(e-2) and LT2(c-2) are separate procurements with different settlement logic. The energy draft uses an indexed fixed-price term, imputed production-price and factor adjustment, non-performance charges and DARTA; the capacity draft uses a fixed capacity payment per MW-business day adjusted for performance. Neither is a generic posted resource-adequacy tariff. The separate short-term Capacity Auction publishes reference parameters and clearing prices but is intended for eligible, non-committed resources; its price is not a guaranteed LT2 revenue forecast.

The October 9 draft contracts preserve a supplier interest in environmental attributes under section 2.10, but section 2.11 requires prior written IESO consent, at its discretion, before monetizing qualifying *future* capacity-related products. Those are products not tradable before contract execution; regulation services are excluded from that defined category. The capacity draft also reserves contracted capacity for the buyer, with a specific regulation-services carveout. These are material terms for lenders evaluating any future revenue-stack upside.

**Request.** Publish a binding revenue-rights and double-commitment matrix, by energy or capacity contract, for (a) day-ahead/real-time energy and operating reserve, (b) contracted LT2 payments, (c) separately procured regulation, (d) Capacity Auction or future reliability products, (e) environmental attributes/clean energy credits, and (f) locational network-support contracts. Identify what is retained by the supplier, netted in LT2 payments, contractually prohibited, conditional on consent, or subject to future market rules.

**Request.** Provide objective consent criteria, a target response timeline and a dispute/escalation route for section 2.11 requests. A lender cannot assume an unapproved future capacity product is revenue, even where plant hardware could technically deliver it. State explicitly that no resource may receive duplicate compensation for the same MW, time interval and performance obligation.

## 12 | FTM versus BTM: publish the market-to-metering boundary

Front-of-the-meter (FTM) LT2 resources generally participate through the IESO market and their specific contract. Behind-the-meter (BTM) value may instead be customer bill savings, peak-demand management, applicable Class A Global Adjustment / Industrial Conservation Initiative benefits, utility-specific non-wires procurements, and eligible demand-response or future DER-aggregation market participation. These are not automatically stackable, interchangeable, or eligible under an LT2 supply contract.

The Ontario Energy Board issued updated Non-Wires Solutions Guidelines for electricity distributors in July 2026. The IESO October 15 DER market-integration design is FTM-first: proposed DER aggregations are 1-20 MW, served by one LDC and within a common transmission-distribution interface, with wholesale-grade metering. A BTM aggregation model is reserved for later engagement, not yet an assumed wholesale revenue source. A private customer-host agreement or distributor network-relief agreement may monetize BTM value, but it is not an implied payment from the IESO. Customer savings depend on the applicable tariff, eligibility, metering and load profile.

**Request.** Publish a boundary-case decision tree for FTM, BTM, co-located and hybrid projects: wholesale registration eligibility, injection-versus-load metering, export controls, charge-source and energy accounting, baseline attribution, LDC dispatch constraints, dual-service priority, conflict of obligations and the organization responsible for each payment. Coordinate definitions with the DER Market Integration engagement rather than expanding LT2 eligibility by implication.

**Request.** For any private-wire or co-located configuration that seeks LT2 eligibility, publish whether associated load affects bid measurement, deliverable capacity, energy production factors, storage charging rights, and environmental-attribute claims; provide one worked example per eligible configuration.

## 13 | Price discovery: publish assumptions, not fictional guaranteed rates

Investment pricing needs distinguishable *contracted*, *merchant*, *avoided cost* and *speculative/subject-to-consent* cash flows. Asking for one fixed capacity-relief rate across Ontario would obscure differences in location, operating hours and avoided network assets. The stronger transparency request is to publish the valuation method and example settlement, while allowing price discovery through competitive procurement.

**Request.** Before the first 2027 proposal deadline, publish two worked LT2 settlement cases - one energy and one capacity - with illustrative hour-by-hour operation, assumed market price, contract cash flow, performance adjustment, charging/curtailment and regulation treatment. Publish separate non-binding sensitivity examples for a qualified transmission NWA and a BTM distributor/customer arrangement without suggesting a guaranteed revenue rate.

**Request.** Confirm the rules for DARTA, monthly imputed-production price, environmental attributes, CPI/indexation, optional services, market rule changes, contract assignment, security and default. Provide a consistent terminology and

assumptions glossary and a dated change log. The goal is comparable bids, credible debt sizing and a common understanding of what will and will not be paid.

## 14 | Financing support, tariffs and downstream cost-risk allocation

The draft LT2 energy contract section 2.13 and capacity contract section 2.14 provide for a payment to the buyer equal to 50 percent of certain defined Additional Sources of Funding under a Future Government Support Program. The contract definition excludes the federal Clean Technology Investment Tax Credits (CTITCs). These provisions can materially change a model that assumes later public grants will be entirely incremental to the LT2 contract. Separately, tariff-adjustment clauses provide only conditional, documented protection for specified post-proposal tariffs, including a threshold tied to a greater-than-10-percent increase in total capital cost and defined notice windows; they are not a general commodity-price escalation guarantee.

**Request.** Provide an investor-facing worked waterfall distinguishing current tax credits, certain future public grants, Indigenous equity participation financing, loans and guarantees, rate-funded NWS agreements and commercial customer payments. Explain which benefits enter the future-support sharing clause, which do not, and how anti-duplication rules protect ratepayers. Avoid treating Indigenous equity capital or community contributions as the same thing as a government grant without a defined contractual basis.

**Request.** Publish a supplier-to-EPC risk allocation example for tariff and supply-chain substitution events: documentary standard, threshold calculation, notice windows, reasonable mitigation and proposed price adjustment review. State how a previously qualified equipment substitution is assessed for compliance, interconnection model validity, warranty, financing and delivery schedule.

## Suggested bid-readiness evidence crosswalk

| Risk / dependency | Requested IESO clarification | Why it matters |
|---|---|---|
| Grid interface | Versioned connection assumption and upgrade dependency register | Less unpriced network risk; more credible COD |
| Land and permitting | Site-control evidence, archaeological/environmental pathway and decision ownership | Permitting and land schedule tied to reality |
| Indigenous and host communities | Engagement log, identified community-led review needs, and open issues without implying consent | Relationships and rights considered before irreversible commitments |
| Finance and equipment | Contracted versus merchant revenue model, OEM prequalification, FAT/QA and critical-path deliveries | Transparent debt sizing and equipment assurance |
| Construction readiness | Critical-path schedule, geotechnical baseline and commissioning interfaces | Comparable bid risk and better execution accountability |

## Specific decision requests

- Will IESO publish change-controlled, utility-coordinated deliverability information sufficiently before final bids?
- How will material post-publication grid changes affect bid adjustment windows and contractual milestones?

- What guidance will distinguish developer engagement from the Crown's duty to consult and respect community-led review timelines?
- What evidence would allow an engineering-equivalent NWA technology to qualify?
- How will storage-duration and accreditation factors be fixed for evaluation and post-award treatment?
- Will the IESO publish a cross-stream revenue-rights/anti-double-counting matrix and objective section 2.11 future-product consent criteria before final bids?
- Can the IESO show how an NWA evaluation point relates to actual avoided-network value without implying a uniform capacity-relief tariff?
- How will IESO, LDCs and the OEB separate FTM LT2, BTM customer value and utility-procured flexibility?
- What is the minimum bankable OEM, independent-engineer, grid-model and Canadian-content evidence at bid stage versus before NTP?

## Closing position

The IESO can strengthen market confidence and reliability by publishing rules that are independently testable, administratively feasible, and capable of being priced and delivered by accountable proponents. I would welcome continued technical engagement on these implementation details.

**Faizan Farooqi**
Founder & Principal
SEDONA RENEWABLES INC.
[redacted]

## Reference material reviewed

**IESO, LT2 Window 2 October 14 engagement presentation** | Official source (click to open)

**IESO, LT2 Window 2 procurement documents and October 15 connection guidance** | Official source (click to open)

**IESO, October 9 draft LT2(e-2) contract - sections 2.10/2.11 and Exhibit J** | Official source (click to open)

**IESO, October 9 draft LT2(c-2) contract - sections 2.11/2.15/2.19 and Exhibit J** | Official source (click to open)

**IESO, Capacity Auction and published auction price reports** | Official source (click to open)

**IESO, October 15 DER Market Integration presentation (FTM-first design)** | Official source (click to open)

**Ontario Energy Board, July 2026 Non-Wires Solutions Guidelines** | Official source (click to open)

**IESO, Class A Global Adjustment and peak demand methodology** | Official source (click to open)

**IESO, LT2 community engagement and Indigenous relations** | Official source (click to open)

**Ontario, PULSE report and proposed utility modernization, October 27** | Official source (click to open)

**Ontario, energy ministry announcement, October 27** | Official source (click to open)

**Ontario, Building Ontario Faster Act announcement, October 27** | Official source (click to open)

**Ontario ERO 026-1090, proposed archaeological/Indigenous provisions, October 27** | Official source (click to open)