

Engagement Plan

Long-Term RFP

Introduction

The 2021 Annual Acquisition Report (AAR) signalled the IESO's intent to launch a Request for Proposal (RFP) for at least 1,000 MW in fall 2022 to address multiple reliability needs. The Long-Term RFP (LT RFP) will seek resources that can be in service between 2026 and 2028 to address global and regional needs.

This procurement is part of the IESO's broader Resource Adequacy Framework – an enduring approach to identifying the type of acquisition activity to use to resolve system needs. The framework contemplates a multi-pronged approach to secure resources, generally based on the length of the contract term.

- Short term: short forward period (less than 12 months) – IESO annual Capacity Auction
- Medium term: three to five-year commitment period – RFP, or enhanced Capacity Auction in the future
- Long-term: investments in new build or major upgrades to existing resources through a longer-term contract – RFP

Background

The IESO began framing the engagement for the LT RFP in October 2021 as part of the Resource Adequacy engagement. At that time, a high-level overview was provided to stakeholders, including the plan to use two procurement stages with a Request for Qualification (RFQ) stage to identify eligible proponents for the RFP. Engagement continued during the November and December engagement sessions to provide an overview of the LT RFP and key milestones, identify linkages to other interdependent IESO initiatives and outline key considerations for stakeholder engagement.

Key information shared during these engagements included:

- Objective of the RFQ – to ensure that there are interested parties with the capability to undertake project development
- Objective of the RFP – to solicit proposals from projects that meet the needs identified in the AAR – both globally and regionally

Stakeholders and Communities

The IESO encourages all interested parties to participate in this engagement through the public engagement activities described in the Approach section below. The IESO anticipates that this initiative will be of particular interest to current and prospective Market Participants, resource developers, municipalities and Indigenous communities.

Engagement Objectives

The objective of this engagement are:

- Develop the design of the Long-Term RFQ and Long-Term RFP documents informed by stakeholder input
- Provide awareness of the LT RFP design and an opportunity for interested stakeholders to contribute via written and verbal input to the various phases of the engagement and overall procurement design
- Identify the appropriate linkages to other interdependent IESO initiatives that have an impact on the progress and design of the LT RFP

Approach

This engagement plan will be implemented in accordance with the [IESO's approved engagement principals](#).

This is a public engagement process. All materials will be posted on the dedicated IESO engagement webpage, and, any information/input provided by stakeholders will be posted (with their consent).

The approach for this engagement includes opportunities to provide input through various channels such as webinars, information sessions, in-person meetings, and written feedback. The project team will consider all relevant input and illustrate how feedback was considered into the design of the procurement documents.

The Long-Term RFP engagement initiative was initially launched under the Resource Adequacy engagement umbrella and will now pivot to its own dedicated engagement webpage to better organize the meetings and materials for the duration of the procurement design.

There are two main phases of the LT RFP engagement initiative: the LT RFQ and the LT RFP. A brief outline of the timing for each phase is included below with more details found in the Engagement Schedule section of this plan and updated on the engagement webpage along the way.

LT RFQ (January 31 – April 29, 2022):

- End of January 2022 – post draft LT RFQ for stakeholder feedback
- April 2022 – issue final LT RFQ

LT RFP (October 2021 – January 2023):

- Q4-2021 – frame LT RFP engagement (objectives, process, interdependencies, design)
- January to August 2022 – engage on the LT RFP design details
- August 2022 – post draft LT RFP for stakeholder feedback
- September 2022 – announce qualified applicants
- January 2023 – issue final LT RFP
- Q3-2023 – Long-Term RFP contracts offered

Meeting Schedule and Ground Rules:

The engagement on the LT RFP will require a slightly modified approach and schedule to the monthly IESO Engagement Days in order to meet the needs of the procurement design effort. As a result, the IESO is proposing a set of guidelines noted in the table below to ensure ground rules for the meetings, materials and feedback are consistent and clear.

Task / Activity	Timing
IESO to announce the date of the meeting	At least two weeks in advance of the meeting
IESO to post meeting materials to the SE page	At least one week in advance of the meeting
Stakeholder deadline for feedback/comments	One to two weeks following the meeting, depending on the topic(s) covered
IESO to post responses to feedback	Two weeks after feedback is received

This modified engagement approach reflects the increased flexibility needed to support the design of a time sensitive and critical new procurement, the fluidity necessary to adapt to input and interdependencies and related initiatives, while continuing to allow for responsiveness to feedback and input from stakeholders.

The January 25, 2022 Resource Adequacy engagement session will include a brief overview of this new approach for the LT RFP engagement which will commence dedicated meetings in early February 2022. This information, and all future meeting details, will be communicated on the LT RFP engagement page and to those interested stakeholders who register to participate in the LT RFP engagement.

LT RFP Outreach (in parallel with this engagement)

In addition to the engagement on the LT RFP, the development of this procurement will draw interest from a wide range of stakeholders, many of whom do not typically participate in the industry focussed LT RFP engagement process. As a result, the IESO is embarking on a coordinated effort, in parallel with this engagement, to conduct outreach to further support the objectives of this initiative.

The broader sector outreach will take the form of three phases: **Inform, Engage and Support.**

The targeted audiences for the IESO outreach include: Indigenous communities, municipalities, provincial and federal government agencies, and others as required.

Interdependencies and Related Initiatives

A number of LT RFP interdependencies have been identified, and will need to be taken into consideration throughout the development of the RFP and any outreach. Below is a summary of some of those interdependencies and other initiatives and factors to keep in mind as the LT RFP engagement progresses.

Interdependent Initiative	Description
Medium Term RFP	A medium-term RFP initiated in late 2021 for up to 750 MW with a five-year commitment period
Capacity Auction	Annual resource acquisition mechanism for two Obligation Periods – Summer (May 1 to October 31) and Winter (November 1 to April 30)
Hybrid Integration Project (and Enabling Resources Program)	This program/project will provide clarity on the hybrid participation models for resources that might be interested in participating in the LT RFP; the hybrid participation models will influence the contracting considerations under the LT RFP
Market Renewal Program	Familiarity with the Market Renewal Program (MRP) will be required since the start of the LT RFP commitment period will begin in a post-MRP world
Minister's Letter	Issued on November 10, the letter reaffirms government's support of the Resource Adequacy Framework and the needs identified in the 2021 Annual Acquisition Report; the letter includes a number of reporting deliverables to the Minister on resource adequacy initiatives and other projects important to government policies
Pathways Project (Moratorium Report)	Following the gas study release, the Minister issued a letter on October 7 asking the IESO to evaluate a moratorium on procurements of new natural gas generating stations and develop a pathway to zero emissions in the electricity sector which will begin in Q1-2022

Interdependent Initiative**Description**

Key Related IESO Publications

- Annual Planning Outlook (APO) – 20-year forecast; operationalizes the Resource Adequacy Framework by starting with an articulation of the system needs – in terms of quantity, timing, location and level of certainty
- Annual Acquisition Report (AAR) – translates planning and operational information into a series of acquisition requirements; it provides specific targets for the near-term Capacity Auction, and information for the longer-term needs
- Reliability Outlooks – published quarterly; reports on the adequacy and security of resources and transmission to meet forecast demand; summer and winter versions look out five years, while the spring and fall versions look out 18 months
- Bulk and Regional Plans – identification of more localized needs

Engagement Schedule

In order for stakeholders to understand when the IESO will engage and seek their input on the various aspects of the RFP design, and to have a schedule for milestones within this initiative, the table below illustrates a proposed engagement schedule.

The dates below are proposed and are subject to change.

RFQ/RFP	Timing	Engagement Activity
RFQ	End of January 2022	<ul style="list-style-type: none"> • Post draft Long-Term RFQ for stakeholder feedback
RFQ	February, 2022 - April, 2022	<ul style="list-style-type: none"> • Engagement and feedback window on the draft Long-Term RFQ
RFP	February, 2022 - August, 2022	<ul style="list-style-type: none"> • Engagement on key Long-Term RFP design considerations: <ul style="list-style-type: none"> ○ Eligibility ○ Term Length and Commercial Operation Dates ○ Permitting and Siting Requirements ○ Locational Considerations, Connection and Deliverability ○ Additional Procurement Design ○ Contract Design • Interdependencies (APO, AAR, Hybrid Integration Project)

RFQ/RFP	Timing	Engagement Activity
RFQ	End of April 2022	<ul style="list-style-type: none"> • Post final Long-Term RFQ
RFP	August 2022	<ul style="list-style-type: none"> • Post draft Long-Term RFP and Contract for stakeholder review and comment
RFQ	September, 2022	<ul style="list-style-type: none"> • Announce qualified applicants from the Long-Term RFQ
RFP	August 2022 to January 2023	<ul style="list-style-type: none"> • Engagement on draft Long-Term RFP and Contract
RFP	January 2023	<ul style="list-style-type: none"> • Post final Long-Term RFP
RFP	Q3-2023	<ul style="list-style-type: none"> • Long-Term RFP contracts offered

Additional Background and Resources

[Resource Adequacy engagement webpage](#)

Related Engagements

[Annual Planning Outlook](#)

[Hybrid Integration Project](#)

[Market Renewal \(Design\)](#)

[Market Renewal \(Implementation\)](#)