
OCTOBER 22, 2024

Long-Term 2 RFP Stakeholder Engagement Joint Session with the Ministry of Natural Resources

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Engagement Updates

- Municipal and Indigenous sessions coming in November
- Joint engagement with OMAFA - Ontario Ministry of Agriculture, Food and Agribusiness
- Contact engagement@ieso.ca and watch the IESO bulletin for registration information
- Indigenous Communities can indicate their interest to participate in upcoming engagements by contacting IndigenousRelations@ieso.ca;
- Municipalities may contact communityengagement@ieso.ca

Overview

- This engagement is conducted according to the [IESO Engagement Principles](#) posted on the IESO Website
- Today's session will be recorded and available for viewing online following the session
- All documents associated with this session can be found on the [Long-Term RFP Engagement webpage](#)

Participation

- For questions and comments click on the “raise hand” icon (hand symbol) at the top of the application window
- To unmute audio, click on the microphone icon at the top of the application window
- Audio should be muted when not asking a question
- If experiencing connection issues contact engagement@ieso.ca or Microsoft Office Support

Purpose

1. To provide an update on the Long-Term 2 Request for Proposals (LT2 RFP) timelines.
2. Ministry of Natural Resources (MNR) to provide information on resource use considerations on Crown land and to provide an overview of the ministry's predevelopment roadmap for renewable energy projects.

Agenda

1. Update on the LT2 RFP timelines
2. Recap of policy considerations for projects proposed on Crown land
3. Presentation by MNR: Renewable Energy on Crown Land Considerations and Predevelopment Roadmap



Update on LT2 RFP Timelines

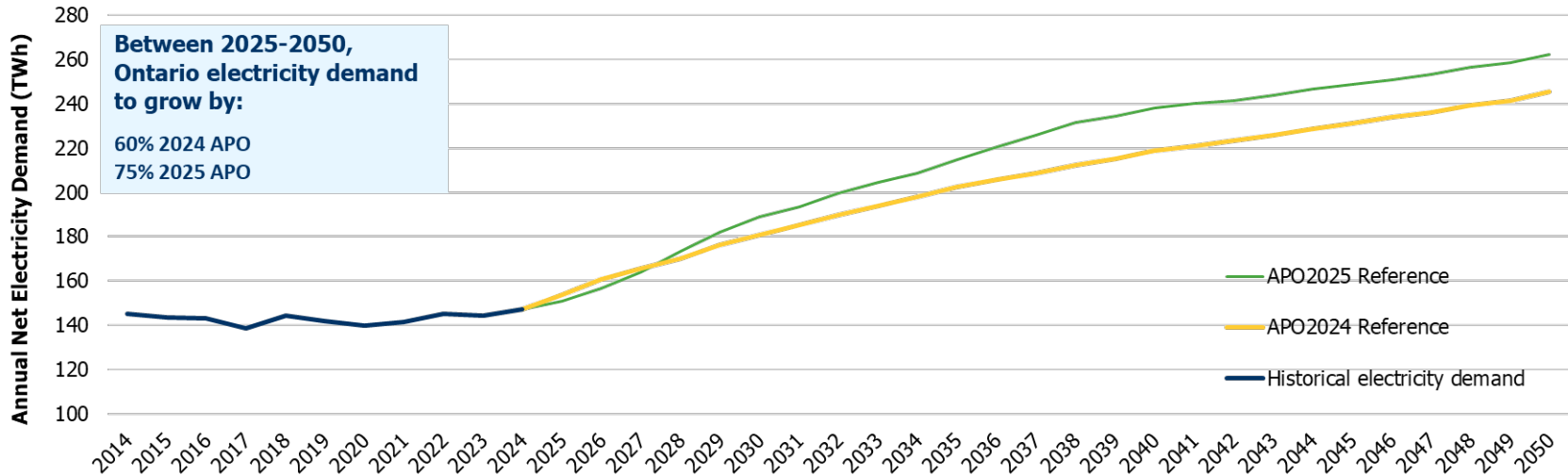
LT2 RFP Timelines: Background

- In the August 28, 2024 ministerial letter, the IESO was asked to report back on options to accelerate timelines and targets for the LT2 energy and capacity RFP.
- Based on the updated Planning outlook presented on Oct 16, electricity demand is forecast to increase 75% by 2050, which is higher than the 60% increase previously forecasted in the 2024 APO;
- Over the next 25 years, this reflects an energy need growing from ~150 TWh in 2025 to ~260 TWh by 2050.
- This is primarily driven by continued electrification as well as recent developments in industrial and data centre growth.
- To meet these emerging needs, new energy and capacity resources will be required in the 2030s and beyond.

LT2 RFP Timelines: Updated Demand Forecast

- Electricity demand is forecast to grow by **75% by 2050**.

Ontario Electricity Demand Historical and Forecast



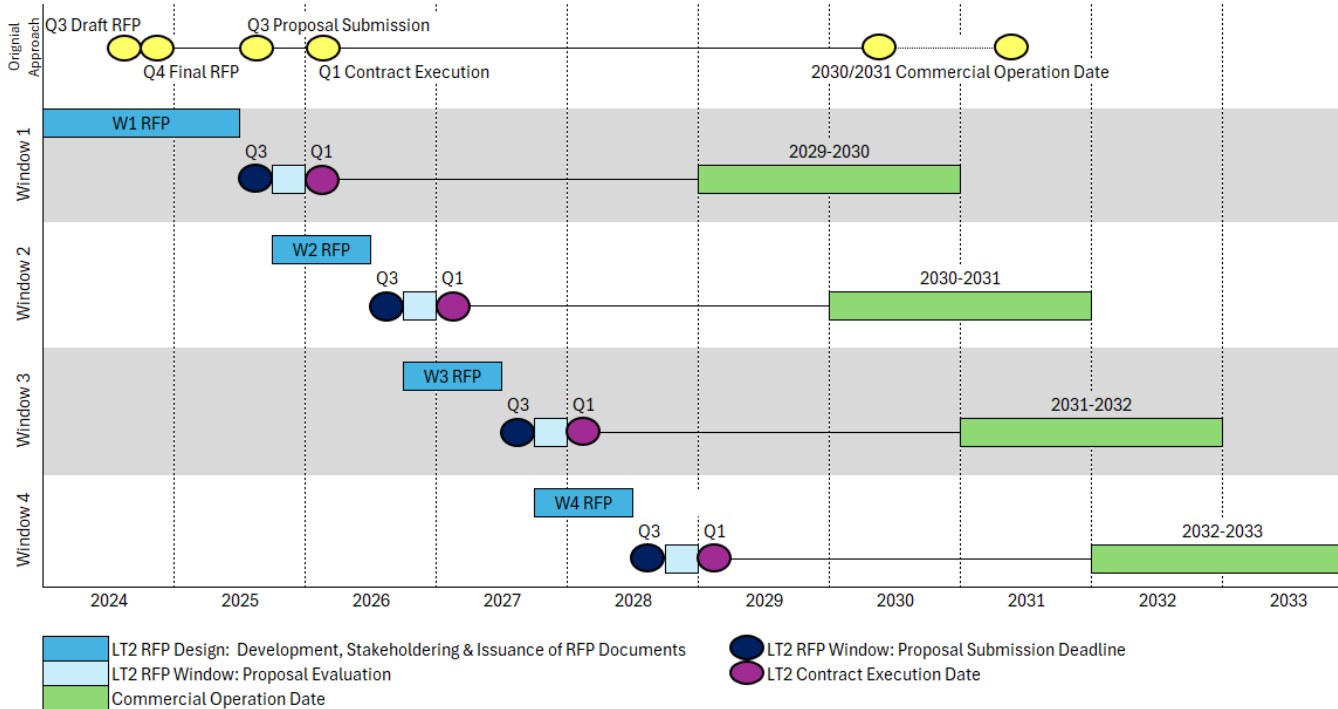
LT2 RFP Timelines: Considerations

- To maximize competition and ensure the IESO secures the most cost-effective resources to meet emerging needs, it is important that a significant number of projects are enabled to participate in the LT2 RFP.
- The IESO acknowledges that development timelines vary by resource type and project location, and that certain projects may require more time to complete pre-development work (e.g., engage with local communities, find an appropriate project site).
- A single procurement window with accelerated timelines may be challenging for some projects and could limit participation.

LT2 RFP Windowed Approach: Overview (1)

- To address the Minister's request to accelerate timelines and ensure system needs will be met, while also considering varying project development timeframes, the IESO is proposing an alternative approach for the LT2 RFP.
- This alternative approach will include:
 - Multiple submission windows, expected to be run on an annual basis, under the umbrella of the LT2 RFP;
 - Increased overall procurement targets that align with emerging needs, with a ramp up in a manner that enables more development over the long run; and
 - The option for proponents to pursue opportunities that best align with their project development timeline.

LT2 RFP Windowed Approach: Overview (2)



Per the illustrative timeline, submission window #1 would have a **proposal submission deadline in Q3 2025**, with **contracts awarded in Q1 2026** and expected **commercial operation in 2029/2030**

Future submission windows are expected to follow this timeline.

LT2 RFP Windowed Approach: Timelines & Certainty

- The first submission window is expected to be aligned with the timeline as presented to stakeholders over the last few months (i.e., proposal submission in Q3 2025).
- This will allow proponents with projects that are ready, to submit their proposal under the first window.
- The IESO will be releasing separate RFP and contract documents for each window, however, the IESO expects the contract and RFP to remain substantially the same across windows to provide certainty, transparency and predictability to proponents.
- Some updates may be made to the procurement documents between windows based on lessons learned, updated system needs, and revised policy considerations (further details on Design Considerations slides to follow).

LT2 RFP Windowed Approach: Deliverability

- The IESO acknowledges the importance of updated deliverability information to guide project site and size considerations for each of the windows.
- A revised deliverability process will be developed for the new windowed approach in a manner that maintains competition and maximizes the number of successful proposals.
- The IESO intends to work with stakeholders, via focused discussion(s), to advance the deliverability guidance process for the windowed approach.

LT2 RFP Windowed Approach: Design Considerations

Subject to government direction, across the various windows:

- The IESO will not be relying on a Request for Qualification (RFQ) process and will instead rely on team member experience and proposal security to ensure that only capable applicants participate.
- Rated Criteria quantum and categories (e.g., locational preferences) may evolve based on government policy and updated system needs.
- The IESO will endeavour to keep proponents updated on any policy and system needs changes as early as possible.
- The IESO will continue to encourage proponents to engage with Indigenous Communities and local municipalities early on and continuing throughout project development.
- The E-PPA and Capacity Style revenue models, and key contract provisions (e.g., performance obligations, security requirements) are expected to remain substantively consistent.

LT2 RFP Windowed Approach: Design Considerations (2)

There are still a number of outstanding design items to be refined over the coming months, including (but not limited to):

- Timeline for sharing revised procurement documents between windows.
- Identifying efficiencies for participation between windows.
- Indigenous Support Confirmations and Municipal Support Confirmations across windows.
- Overall targets and allocation between windows is still under consideration and will be informed by the upcoming APO.

LT2 RFP Windowed Approach: Next Steps

- The IESO encourages stakeholders to provide feedback on the proposed windowed approach to help inform design of the LT2 RFP and enable as many resources as possible to participate.
- The IESO will further refine this approach based on stakeholder feedback and the pending directive from government.



LT2 RFP – Recap of Policy Considerations For Projects Proposed to be Located on Crown land

Policy Considerations for Projects on Crown land

- On August 28th 2024, the Minister of Energy and Electrification issued a letter to the IESO outlining additional policy considerations related to project siting for the LT2 RFP:
 - Projects outside of municipal boundaries and on Crown land managed by MNR, the IESO to accept MNRs endorsement of a proponent's Crown Land Site Report (CLSR) in lieu of a Municipal Support Confirmation.
 - Rated criteria points for new projects within the collective territorial Districts of Kenora, Rainy River, Thunder Bay, Cochrane, Algoma, Sudbury, Timiskaming, Nipissing, Manitoulin and Parry Sound.
- Renewable energy predevelopment projects on Crown land have the potential to trigger requirements under multiple MNR policies and legislation.
 - Any proponent considering siting a project on Crown land will be required to submit a pre-development project submission and a CLSR to MNR.



Ministry of Natural Resources (MNR) -

Renewable Energy on Crown Land Considerations and Predevelopment Roadmap



Next Steps

Next Steps

The IESO invites written feedback on the materials presented by **November 8, 2024**. All written feedback should be submitted to engagement@ieso.ca utilizing the IESO Feedback Form posted on the engagement webpage.

In the coming days, the IESO intends to release:

- Revised drafts of the LT2(e) RFP and Contract
- Draft LT2(e) Prescribed Forms
- Draft LT2(c) RFP, Contract and Prescribed forms

The IESO expects to release another substantive set of drafts in December 2024 that include stakeholder feedback on the windowed approach and any other new policy received via directive. Final drafts for the first window are expected to be posted early 2025.

Thank You

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