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**FEBRUARY 24, 2026**

# LT2 RFP - Window 2

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# Territory Acknowledgement

The IESO acknowledges the land we are delivering today's webinar from 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.

# Overview

- This engagement is conducted according to the [IESO Engagement Principles](#) posted on the IESO Website
- Today's presentation 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](mailto:engagement@ieso.ca) or Microsoft Office Support

# Purpose

The purpose of this session is to discuss design considerations related to the second window of the Long Term 2 RFP, with specific focus on Repowering and feedback received from stakeholders.

# Overview of LT2 RFP Window 2 Design Considerations

## Items Discussed Today

- Window 2 Proposal Submission Date
- MT and LT Interplay
- Resource Eligibility and Definition of Repowering
- Competition with New Build
- Flexible MCODs
- Municipal and Indigenous Support Confirmations
- Agricultural Land Restrictions and Environmental Permitting

## Items under Ongoing Consideration

- Deliverability Approach for Repowering
- Independent Engineer Report Requirements for Repowering
- Proposal Security/Completion and Performance Security for Repowering
- Rated Criteria
- Buy Local Provisions
- Lessons Learned from Window 1 Evaluation

# Agenda

Today's engagement will cover the following topics:

1. Timing of LT2 Window 2
2. General Framework, Term and COD
3. Eligibility and Definition of Repowering
4. Target and Competition Mechanics
5. Mandatory Requirements



# Timing of LT2 Window 2

# LT2 Window 2 Proposal Submission

## What we have heard from stakeholders

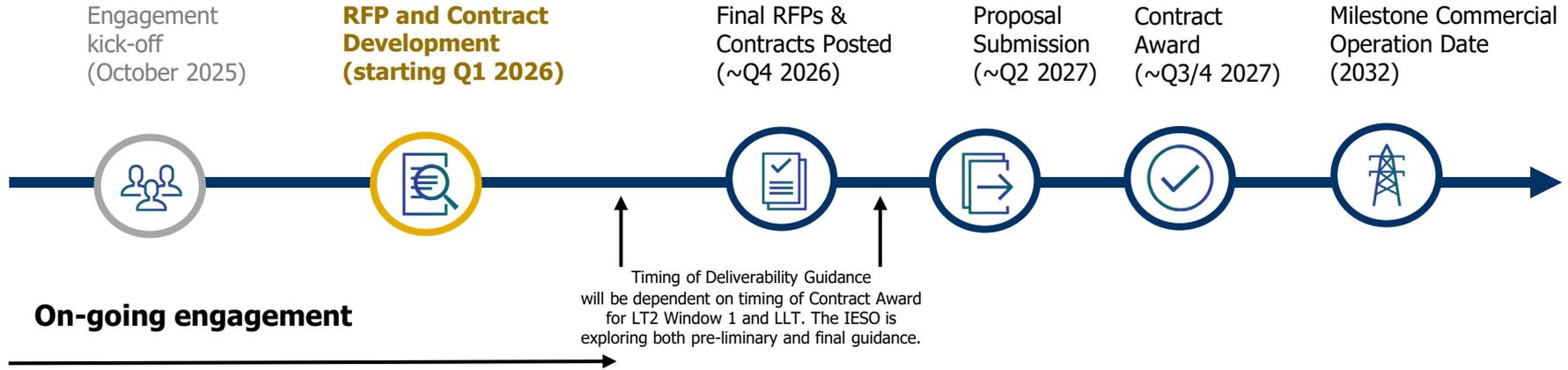
- Strong alignment on shifting LT2 Window 2 to Q1/Q2 2027.
- Concerns about requiring adequate time between receiving updated deliverability guidance and proposal submission, as well as risks posed by 2026 municipal elections with respect to public engagement and Municipal Support Resolutions.

## IESO Response to Feedback

- In response to stakeholder feedback, Proposal Submission for LT2 (e-2) will now be targeted for **Q2 2027**, with LT2 (c-2) following in quick succession.
- LT2 Window 2 MCOD will be pushed from 2031 to 2032.

# Procurement Timelines

As a reminder, procurement timelines are under development and will need to be coordinated with activities related to the Long Lead-Time RFP and the MT3 RFP.



The timelines presented above are approximate and are subject to change pending policy direction from the Ministry, and when final RFPs and Contracts are posted.



# General Framework, Term and COD

# General Framework, Term and COD

## What we have heard from stakeholders

- Strong consensus on 20-year term for repowering under the LT RFP
- Majority asked for more flexible life extension options under the MT RFP (5-10 years)
- Some stakeholders have asked for a flexible or staged COD approach for repowered facilities

## IESO Response to Feedback

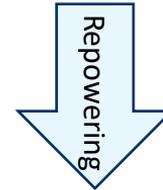
- Repowered facilities will have same contract and 20-year term as new builds under LT2
- Changes to MT term will require further discussion with government but the IESO is open to exploring alternative term lengths
- Considering flexible COD for repowered facilities tied to existing contract expiration date

# General Framework for Existing Facilities



## Medium-Term RFP

- Must complete at least one Medium-Term contract to be eligible for Repowering under the LT2 RFP
- The MT3 RFP is still anticipating a 5-year contract term at this time; expansion to a more flexible option will require further discussion with government



## Long-Term RFP

- Compete with New Builds and other Repowering projects for new 20-year contract
- Subject to the same contract terms as a New Build

# Flexible MCOD Approach for Repowered Facilities





# Eligibility and Definition of Repowering

# Resource Eligibility

## What we've heard from stakeholders

- Mixed feedback on eligibility; most stakeholders do not support a hard minimum facility age for repowering.
- General preference to focus on replacement of energy-generating equipment and demonstrable extension of useful life.
- Many stakeholders recommended aligning eligibility with the end of existing contracts.

## IESO Response to Feedback

- IESO proposing to base eligibility for Repowering on facilities coming close to/having reached the end of their useful life. This is to help ensure value for facilities that ratepayers have already paid for.

# Resource Eligibility



## New Build

- Projects with a **minimum size of 1 MW** that are capable of registering as market participants
- New build Electricity generating facility



## Repowering

- Projects with a **minimum size of 1 MW** that are capable of registering as market participants
- Existing facility that as of May 1, 2032, will have completed both:
  - An IESO (or OEFC) contract with a term length of at least 20 years
  - At least one full Medium-Term contract term of at least 5 years

# Proposed Definition of Repowering

## **Repowering Project**

*An existing Electricity generation Facility having a Contract Capacity that is greater than 1 MW and capable of registering as a Market Participant, that as of May 1<sup>st</sup>, 2032 will have completed the term (minimum 20 years) of a contract with the IESO or the OEFC, AND:*

- 1. Has also completed a Medium-Term Contract*
- 2. Is proposing substantial replacement of energy-generating equipment such that it can meet the obligations of a new 20-year LT2 Contract*

- Repowering Projects will be subject to the same requirements and performance obligations as New Builds under the LT2 RFP and Contract.
- At this time, the IESO is not considering making a distinction between “full repowering” and “partial repowering”.
- Declaration of COD will be contingent on an Independent Engineer’s certification that sufficient work has been done to comply with the performance obligations of the LT2 contract for a new 20-year term.



# Target and Competition Mechanics

# Target and Competition Mechanics

## What we've heard from stakeholders

- Mixed feedback; majority view is that repowered facilities should not compete head-to-head with new builds in a single pool because:
  - Repowered facilities have structural cost advantages (paid or known interconnection, existing site, community familiarity)
  - Direct competition could squeeze out new builds and/or under recognize the system benefits of repowering (avoided land use, faster deployment, reduced risk)

## IESO Response to Feedback

- The IESO believes that having new builds compete with repowered facilities will result in the most cost-effective outcomes for ratepayers. To address stakeholder concerns the IESO is considering including a specific new build target and a cap on repowered facilities.

# Target and Competition – Window 2 Energy Stream

- Set specific target for New Builds based on the Integrated Resource Plan (i.e. 1-3 TWh for Window 2).
- New Build and Repowering Projects will be ranked in the same price stack from lowest to highest, with projects of both type accepted until the New Build target is filled.
- There will also be a cap on the number of TWhs that will be accepted specifically from Repowering Projects for each window. This cap will be informed by the IESO's ability to manage concurrent extended outages of existing facilities while undergoing repowering to ensure reliability is maintained.

## Window 2 Energy Stream - Example Scenarios

- Assume based on the results of LT2 Window 1 and revised Resource Planning data, the Window 2 New Build target is set at **3 TWh of New Builds**.
- Assume that for the available pool of eligible existing facilities and the maximum eligible extended outage limits, the repowering cap is set at **1 TWh of Repowering Projects**.
- Therefore, the maximum amount of energy that could be procured in the window would be **4 TWh**, in the optimal scenario where 3 TWh of New Builds are deliverable and 1 TWh of Repowering Projects are price competitive with the marginal New Build project.

# Example Competition Mechanics

## New Build Proposals

Size: 600 GWh  
Price: 81 \$/MWh

Size: 150 GWh  
Price: 100 \$/MWh

Size: 700 GWh  
Price: 85 \$/MWh

Size: 400 GWh  
Price: 99 \$/MWh

Size: 500 GWh  
Price: 68 \$/MWh

Size: 250 GWh  
Price: 77 \$/MWh

Size: 400 GWh  
Price: 82 \$/MWh

Size: 300 GWh  
Price: 100 \$/MWh

Size: 250 GWh  
Price: 75 \$/MWh

Size: 300 GWh  
Price: 87 \$/MWh

## Repowering Proposals

Size: 200 GWh  
Price: 75 \$/MWh

Size: 100 GWh  
Price: 60 \$/MWh

Size: 150 GWh  
Price: 73 \$/MWh

Size: 150 GWh  
Price: 68 \$/MWh

Size: 800 GWh  
Price: 76 \$/MWh

Size: 100 GWh  
Price: 88 \$/MWh

Stack all  
Proposals  
from low to  
high

## Offer Stack

Size: 300 GWh  
Price: 87 \$/MWh

Size: 700 GWh  
Price: 85 \$/MWh

Size: 400 GWh  
Price: 82 \$/MWh

Size: 600 GWh  
Price: 81 \$/MWh

Size: 250 GWh  
Price: 77 \$/MWh

Size: 800 GWh  
Price: 76 \$/MWh

Size: 200 GWh  
Price: 75 \$/MWh

Size: 250 GWh  
Price: 75 \$/MWh

Size: 150 GWh  
Price: 73 \$/MWh

Size: 150 GWh  
Price: 68 \$/MWh

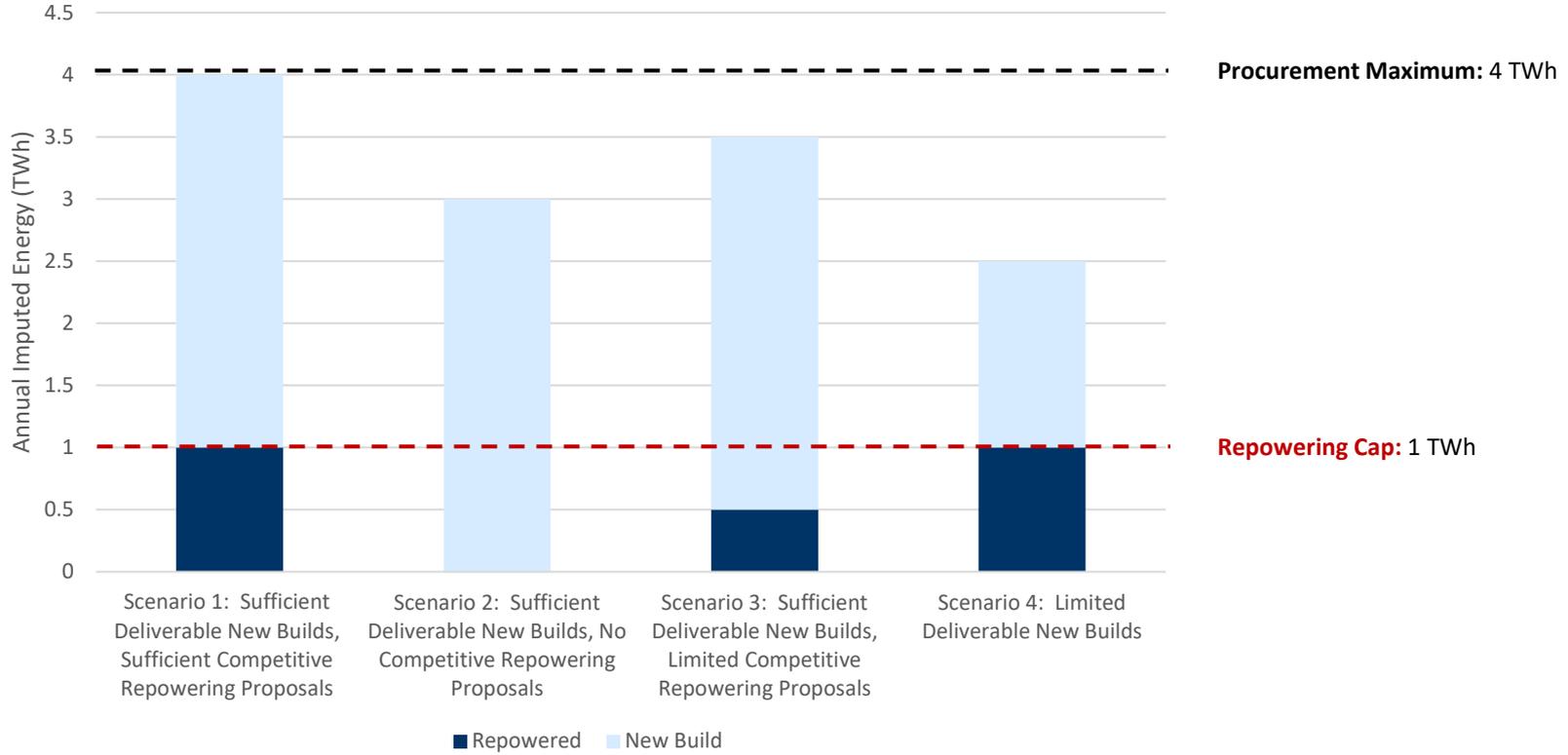
Size: 500 GWh  
Price: 68 \$/MWh

Size: 100 GWh  
Price: 60 \$/MWh

Starting from the lowest priced proposal:

1. Is this proposal deliverable?
2. Does this proposal cause us to exceed the Repowering Cap?
3. Does this proposal cause us to exceed the New Build Target?

# Example Competition Scenarios





# Mandatory Requirements

# Mandatory Requirements

## What we've heard from stakeholders

Stakeholders have flagged significant regulatory complexity and urge streamlined, repowering specific approaches under the LT2 RFP; strong push to reuse or amend existing approvals rather than require new REAs, AIAs or Municipal Support Resolutions where:

- Footprint of facility does not change
- Noise/emissions do not increase
- Capacity does not significantly increase

# Mandatory Requirements

## **IESO Response to Feedback**

- The IESO will require a new directive, pending further discussion with government, to make any exemptions for Repowered facilities under the LT2 RFP.
- Municipal and Indigenous Support Resolution requirements are expected to remain.
- Government will dictate policy on agricultural land and other environmental permitting; the IESO will work with government to inform the framework as it relates to repowering of existing facilities.



# Next Steps

## Next Steps

- The IESO invites stakeholder feedback on the materials presented today by **March 13, 2026**
- All written feedback should be submitted to [engagement@ieso.ca](mailto:engagement@ieso.ca) utilizing the IESO Feedback Form posted on the engagement webpage
- If you have any questions regarding the LT2 RFP, please send them to [LT2.RFP@ieso.ca](mailto:LT2.RFP@ieso.ca)

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# Thank You

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