

Feedback Form

Long-Term 2 RFP – February 24, 2026

Feedback Provided by:

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Date: March 13, 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 February 24th 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 March 13, 2026.

Procurement Timelines

LT2 Window 2 Proposal Submission

Do you have any feedback on the proposed timing for proposal submission?

General Framework

Contract Term

Do you have any feedback on the proposed contract term for repowering under the Long-Term RFP?

We are supportive of the 20-year contract term for repowered facilities.

The webinar seemed to focus more on LT2(energy) – could you please confirm that the same terms would also apply to the capacity stream?

Resource Eligibility

Repowering

Do you have any feedback on the proposed eligibility requirements and definition of repowering?

We do not support the requirement that a repowered facility need complete a 5-year MT2 contract before they are eligible to apply to LT2 – could the IESO please provide clarity on why you are putting forward this requirement?

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.

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.

Target and Competition Mechanics

Do you have any feedback on the proposed competition mechanism for new and repowered facilities?

A short-term contract creates too much pricing uncertainty and risk for proponents. Longer term contracts provide the certainty which is required to re-invest in these facilities and the significant

balance of plant investments to keep them providing reliable, clean electricity for a long time. Longer term contracts should also provide lower prices in the procurement, bringing the best value possible to all ratepayers in line with stated Government and IESO policy objectives.

We recommend to IESO that COD multipliers apply for New Built only. We appreciate the inclusion of repowering within the LT2 stream in order to provide value to taxpayers extending the life of existing assets, however we believe that repowering facilities have already an embedded advantage (land and site control costs, grid interconnection costs, community already familiar with the facility, etc..) and applying COD multiplier for New Built only will provide the right incentive for developers and IPPs in investing in new resources and make the bids more competitive for IESO and taxpayers.

Mandatory Requirements

Do you have information to share with the IESO to further inform the mandatory requirements framework as it relates to repowering of existing facilities? E.g., in the areas of exemptions, municipal and Indigenous support resolutions requirements, and agricultural land and other environmental permitting.

General Comments/Feedback

Do you have additional feedback to share with the IESO?

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.

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.

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.

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 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. By contrast, a smaller number of larger projects could cause reliability stresses should they opt to run in safe standby mode after 2035.

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.

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.