

Feedback Form

Long-Term 2 RFP – February 24, 2026

Feedback Provided by:

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Date: 12 March 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

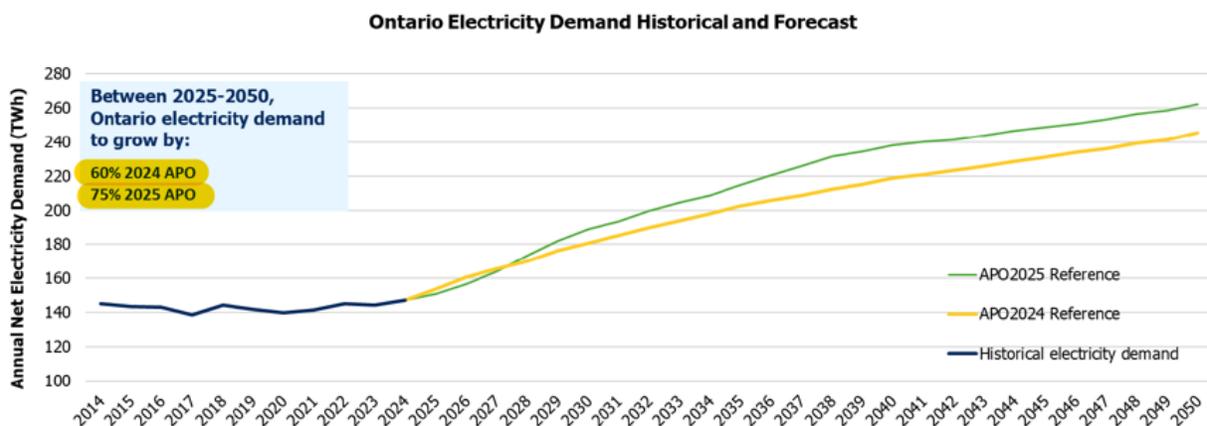
Do you have any feedback on the proposed timing for proposal submission?

Window 2 is proceeding alongside the Long Lead-Time procurement, MT3, major transmission expansions, expiring FIT contracts, new nuclear and refurbishment schedules, and aggressive electrification projections. Yet stakeholders have not been shown a consolidated, publicly reviewed capacity balance demonstrating what the actual system needs are, what portion is reliability-driven versus policy-driven, and what portion could be met through repowering alone.

ORA's primary concern about timing is not the calendar date itself, but the procurement volume the timeline is designed to support. If the IESO's new build targets are revised downward to reflect actual Ontario domestic system needs—rather than export-oriented “Energy Superpower” ambitions—the urgency and scale of all downstream timelines should be reassessed accordingly.

ORA is also concerned that the Q2 2027 timeline compresses stakeholder engagement on critical unresolved issues, including: the new build vs. repowering priority question; climate risk disclosure in contracts; and the foundational question of whether the 15-percentage-point upward revision to the 2025 Quarterly Bulk Planning Studies Update demand forecast^{1,2} is technically justified or politically driven.

Ontario's Changing Electricity Landscape



Advancing Window 2 without a publicly defensible integrated system model risks layering procurements on top of each other rather than optimizing system architecture. That approach exposes ratepayers to compounding long-term obligations without clarity on cumulative exposure.

General Framework

Contract Term

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

The proposed 20-year contract term for repowered facilities should be carefully considered, given that repowering projects involve existing assets that have already recovered a significant portion of their capital costs. While a long-term contract may be appropriate in some cases, the framework should not assume that repowered facilities require the same contract length as new builds in order to remain viable. Treating these assets as equivalent to entirely new infrastructure ignores fundamental differences in risk profile and capital structure.

Providing a uniform 20-year term for both new and repowered facilities risks over-contracting and increasing long-term ratepayer exposure. A more flexible approach, including shorter terms or staged extensions where appropriate, would better reflect the differing risk profiles and cost structures of repowered versus new facilities.

Including Hydropower Repowering in the LT2:

In the 18 December 2025 engagement, IESO informed participants that opportunities for “*hydroelectric upgrades, expansions and redevelopments will not be eligible to participate in the LLT RFP and are encouraged to participate in future opportunities for repowered resources under other IESO initiatives (e.g., LT2 RFP).*”³

Shorter Contract Terms for Existing Hydropower:

For repowered hydropower facilities, ORA recommends that the 5-year Medium-Term (MT) contract structure may be the more appropriate framework for life extension, given the increasing uncertainty associated with water availability under projected climate conditions. Not as a prerequisite to a 20-year LT2 contract, but as the appropriate long-term framework for water-dependent generation.

This position is grounded in climate science. Hydropower is not fuel-free: its fuel is freshwater. The 2023 Ontario Provincial Climate Change Impact Assessment (OPCCIA), issued by the Ministry of the Environment, Conservation and Parks (MECP), documents clearly that Ontario’s freshwater systems face increasing hydrologic volatility, reduced reliability of seasonal flows, and growing constraints on water availability—particularly during summer peak-demand periods.⁴ These are the precise conditions that determine whether a hydropower facility can fulfil the output obligations of a long-term contract.

A 20-year repowering contract for a hydropower facility commits ratepayers to fixed revenue obligations through to approximately 2050 or beyond—precisely the period during which the OPCCIA projects increasing hydrologic volatility and reduced freshwater supply. A 5-year contract term with a performance-based renewal assessment is a more responsible framework for water-dependent generation amid climate uncertainty. This position is reinforced by the IESO’s own published characterizations of northern hydropower. In multiple planning and procurement reports, the IESO has itself described northern hydropower as an “energy-limited resource”, with a “Dependable Capacity of 15-30%”, dependent on sufficient seasonal flows that cannot be guaranteed.^{5,6}

It is a profound inconsistency for the IESO to hold that characterization in its planning documents while simultaneously structuring 20-year procurement contracts that lock ratepayers into payment obligations regardless of whether those hydrologic conditions are met. Short-term contracts with performance-based renewal are the instrument that reconciles these two positions. This would allow repowered northern hydropower to contribute to the system, without transferring the full weight of climate-driven hydrologic risk onto ratepayers for two decades at a time.

There is a further practical advantage to shorter contract terms for hydropower repowering: more projects could be licensed and approved within any given planning window. A 20-year contract requires a facility's continued operation for two full decades under a single contract. Whereas a 5-year term allows approvals to be staged, with each renewal reflecting updated hydrological data and environmental conditions. This reduces the per-project regulatory burden, shortens the approval timelines, and allows licensing decisions to reflect updated hydrological data and environmental conditions, increasing the number of facilities that can move through the licensing process concurrently. In other words, shorter contract terms prevent the system from being locked into long-term dependence on water-dependent generation and allow existing facilities to be reassessed at regular intervals using updated hydrological, environmental, and climate risk information.

ORA notes a profound and troubling contradiction: the Province's own OPCCIA study, published in 2023, documents the risks posed by climate change to freshwater-dependent infrastructure. Yet the Ministry of Energy's June 2025 Energy for Generations document, the policy framework now driving the IESO's procurement agenda, including the LT2 RFP, makes no reference to climate change or the OPCCIA. It does not acknowledge the hydrologic risks to hydropower that the Province's own staff have documented. This is not an oversight. It is a structural failure of cross-ministry policy coherence that the IESO, as an independent system planner, is obligated to flag and address.

No Climate Re-opener in Long-Term Contracts:

ORA's experience with IESO procurement programs, including the Northern Hydro Program, is that 20-year contracts are structured without climate re-opener clauses or performance protections tied to resource availability. For any technology where climate change may materially affect the ability to deliver contracted output—hydropower in particular—this is a ratepayer risk that should not be embedded in long-term contracts without disclosure and safeguards.

Periods of reduced water availability and low to no electricity generation must be the proponent's risk—not a ratepayer risk. It is the responsibility of the proponent to ensure that they have assessed past and present climate-adjusted planning in their application.

If the IESO's objective is maximal ratepayer value, contract terms must reflect residual risk and capital exposure. Shorter repowering terms, performance-based extensions, or periodic review triggers would protect system flexibility while still enabling modernization.

A blanket 20-year term prioritizes administrative simplicity over fiscal prudence.

Mandatory Medium-Term Contract Prerequisite for Non-Hydro Repowering:

For non-hydropower technologies, ORA's concern about the MT prerequisite is different. The requirement that a facility complete a Medium-Term contract before becoming eligible for LT2 repowering adds delay, shrinks the eligible pool, and may push economically viable facilities toward decommissioning without a commensurate ratepayer benefit.

ORA recommends the IESO permit direct LT2 repowering eligibility for non-hydro facilities that have completed their original 20-year contract, unless a specific system-reliability justification is provided.

Resource Eligibility: Repowering

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

The proposed definition of repowering should ensure that the framework prioritizes the continued use of existing infrastructure where this can be achieved at lower cost and lower system risk. Existing facilities have already undergone environmental review, permitting, and system integration, and in many cases have remaining useful life that can be extended through targeted refurbishment.

Requiring completion of a Medium-Term contract prior to eligibility for a Long-Term contract may create unnecessary barriers to repowering, particularly where facilities could otherwise transition directly to a new contract at lower cost to the system. The additional Medium-Term step may also create uncertainty that discourages investment in life-extension projects, even where those projects would be more cost-effective than new builds.

Requiring all facilities to complete a Medium-Term contract prior to LT2 repowering eligibility appears designed to extract remaining “useful life” at lower cost before awarding a new long-term contract. While the objective of protecting ratepayer value is understandable, the underlying assumption that all facilities possess uniform residual life and comparable performance characteristics is not technically defensible.

Asset degradation and modernization needs vary widely by technology and site. Particularly in the case of hydroelectric facilities, environmental impacts, operational efficiency, and lifecycle considerations are highly location-specific. ORA is concerned that:

- The May 1, 2032, eligibility cutoff, combined with the MT contract prerequisite, excludes the majority of existing facilities from LT2 Window 2. This artificially constrains competition and reduces the likelihood of cost-effective outcomes for ratepayers.
- As noted above, ORA objects to a 20-year repowering contract under LT2 for hydropower, given climate-driven hydrologic risk.
- A 5-year contract term for existing hydropower would ensure lower risk to ratepayers and enable more existing facilities to be licensed within any given planning window.
- The IESO acknowledged during the February 24 session that the MT requirement may create a very small pool of repowering competitors and a much larger window for new LT2 proposals. A small pool of repowered facilities undermines competitive tension and may produce less cost-effective outcomes for ratepayers.

ORA recommends:

1. Remove or make optional the MT contract prerequisite for non-hydro facilities completing their original 20-year contract.
2. For hydropower facilities, the 5-year MT-term recontracting with a climate-informed performance review is a more appropriate and responsible framework than a 20-year LT2 contract.
3. A framework prioritizing approximately 3 TWh of repowering from the existing generation pool—wind, solar and hydropower, before committing to approximately 1 TWh of new build would reflect the principle of using existing assets first.

Eligibility should prioritize demonstrated technical readiness and system value, not contractual chronology.

Further, reliance solely on Independent Engineer certification to confirm readiness for another 20-year term is insufficient. Extending a hydropower asset’s operational horizon by two decades has cumulative environmental, financial, and system implications in an increasingly hostile climate, making a narrow equipment certification exercise unsuitable.

Target and Competition Mechanics:

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

The proposed competition framework raises concerns regarding the balance between new projects and repowered facilities. While the IESO has indicated that it is “agnostic” with respect to resource type, the use of separate targets, caps, or planning assumptions for new builds and repowering may unintentionally favour new construction even where repowered resources could provide energy at lower cost and lower risk.

Existing facilities represent sunk investment that has already been borne by ratepayers. Where those facilities can be refurbished or repowered at a lower cost than constructing new generation, the procurement framework should allow them to compete on equal footing without artificial limits.

In addition, the interaction between LT2, the Long Lead-Time RFP, and Medium-Term procurements is not yet sufficiently clear to demonstrate that cumulative contract commitments are being managed in a coordinated manner. If multiple procurement streams proceed in parallel without an integrated system plan, there is a risk that long-term financial obligations will accumulate in ways that limit future flexibility and increase total system cost.

Greater transparency is needed regarding the total quantity of capacity expected to be procured across all streams, the assumptions used to determine targets, and the manner in which repowering, new builds, and LLT projects are being balanced within the overall supply plan.

Primary Concern: New Build vs. Repowering Priority Is Inverted:

The IESO’s proposed example for Window 2 sets the new build target at 3 TWh and the repowering cap at 1 TWh. ORA raised this concern directly during the February 24 session:

Ontario should use what it has first. The repowering target should be set at approximately 3 TWh and the new build target at approximately 1 TWh — not the reverse.

Ontario ratepayers have already funded the capital construction of existing facilities under their original contracts. Those facilities represent sunk public investment that continues to deliver value when repowered at competitive prices. New build carries higher development cost, new land-use conflict, new interconnection cost, new municipal approval burden, and longer deployment timelines — all of which are ultimately borne by ratepayers. Prioritizing new build over repowering is a structurally more expensive choice that requires explicit and transparent justification.

ORA acknowledges that some incremental non-hydro new build may be needed over time. But incremental new build needs should be addressed after existing facility capacity is maximized—not before. The current framework inverts this principle and should be corrected.

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.

Repowering should not receive automatic relaxation of municipal, Indigenous, agricultural, or environmental requirements. Extending an asset's life by 20 years materially alters its long-term footprint. Repowering can involve significant equipment replacement, extended outages, infrastructure modifications, and operational changes. Municipalities and Indigenous communities should not be presumed to have granted perpetual consent simply because a facility has operated for decades.

Lifecycle extension is not neutral. It prolongs environmental and community impacts. Oversight must scale with impact, not with asset age.

Reducing scrutiny at the repowering stage risks undermining public confidence and transferring long-term liability risk onto future governments and ratepayers.

While it may be appropriate to recognize that existing facilities have already undergone previous approvals, any changes to permitting or consultation requirements must remain consistent with current environmental, municipal, and Indigenous consultation obligations.

At the same time, the framework should avoid creating unnecessary duplication where the physical footprint, environmental effects, and operating characteristics of a facility do not materially change. A balanced approach is required that maintains environmental and consultation standards while recognizing the lower impact of refurbishment compared to new construction.

General Comments/Feedback

Do you have additional feedback to share with the IESO?

The LT2 Window 2 framework should be considered in the context of the broader procurement strategy, including LT2 Window 1, the Long Lead-Time RFP, Medium-Term procurements, and future procurement rounds. Decisions made in one stream affect the availability of transmission capacity, contract space, and financial flexibility in others. Without a clear, integrated system plan, there is a risk that commitments made today will constrain future options and increase long-term costs to ratepayers.

In particular, clarification is needed on whether the Long Lead-Time RFP is still intended to be a one-time procurement tied to specific transmission expansions, or whether it will become an ongoing stream of long-term contracting. If LLT projects are given priority access to future transmission capacity, this could significantly affect the competitiveness of LT2 Window 2 proposals and should be reflected transparently in deliverability guidance.

ORA supports the continued modernization of Ontario's electricity system. However, modernization must be guided by transparent planning, careful management of long-term financial exposure, and fair competition between new and existing resources. Repowering should not be disadvantaged by framework design, and new construction should not be prioritized unless it demonstrably provides greater value to ratepayers.

Before finalizing LT2 Window 2, the IESO should clearly demonstrate how the proposed framework protects system flexibility, limits cumulative contract exposure, and aligns procurement decisions with a fully integrated and publicly defensible supply plan. Ontario ratepayers deserve nothing less.

ORA remains strongly opposed to the construction of new dams and does not support the indefinite life-extension of existing hydropower facilities, given the well-documented impacts on river systems, fish passage, sediment transport, water quality, and greenhouse gas emissions from reservoirs.

However, ORA recognizes that Ontario's current electricity system includes existing hydropower infrastructure that cannot be replaced overnight, and in the near term, the province may have to rely

on assets already built. That reality reinforces, rather than weakens, the need for cautious contract design and full lifecycle accountability. Repowering should not be treated as a default outcome, and new generation projects of any type should not be approved without enforceable provisions for eventual retirement and removal.

All long-term electricity procurements should include upfront financial security and enforceable decommissioning requirements so that facilities can be removed when they are no longer viable, when environmental impacts become unacceptable, or when more efficient technologies become available.

Infrastructure that cannot be responsibly retired should not be built, and infrastructure that no longer serves the public interest should not be locked into multi-decade contracts without a clear exit mechanism.

ORA recommends:

1. Use Existing Capacity First — Foundational Principle:

Ontario's electricity system planning should be guided by the principle of maximizing the utilization of existing contracted assets before committing ratepayers to the cost of new build. The current LT2 Window 2 framework inverts this priority. ORA urges the IESO to correct it.

2. Energy for Generations and the Absent Climate Science:

The Ministry of Energy's June 2025 Energy for Generations document — the policy framework now driving Ontario's electricity procurement agenda — makes no mention of climate change. This is not a minor gap. It is a fundamental failure to integrate the Province's own scientific work.

The 2023 OPCCIA, commissioned by the Ministry of the Environment, Conservation and Parks, documents that Ontario faces increased drought frequency, greater variability in precipitation, and reduced freshwater availability—all of which directly affect the reliability of water-dependent electricity generation. The OPCCIA covers Infrastructure (Section 6), Energy Security as a cross-sectoral consideration (Section 10.2), and Utility Services (Section 9.7.11), providing detailed risk assessments of exactly the kind of climate exposure that long-term hydropower contracts embed in ratepayer obligations.

An electricity plan that does not read the Province's own climate science is not planning; it is a political document. The IESO, as an independent system planner, has both the standing and the obligation to acknowledge this gap and to demand that procurement design account for it.

3. Forecast Integrity and Ratepayer Transparency:

ORA reiterates its documented concern that IESO procurement programs are being sized to serve a demand forecast that has been politically inflated rather than technically derived. The IESO's own bulk planning work, as presented to stakeholders across multiple engagements in 2024 and early 2025, did not present system deficits of a scale that would warrant a 15-percentage-point upward revision to the long-term demand forecast. That revision followed ministerial direction—not new planning evidence.

Electricity planning decisions translate directly into multi-decade capital commitments and contract payments recovered through regulated rates. When forecasts are politically inflated, ratepayers—not industry and not government—absorb the consequences. The IESO's

independence as a system planner is not an abstract value; it is the ratepayer's primary protection against politically motivated over-procurement.

4. Competitive Tension Requires a Broad Eligible Pool:

The IESO's MT prerequisite requirement will produce a very small pool of repowering competitors for Window 2. Genuine price competition requires a broad and deep supply pool. Restricting repowering eligibility through procedural prerequisites concentrates market power among the few facilities that happen to meet the timing criteria, while excluding others that could deliver cost-effective energy.

Closing Statement:

Ignoring the relationship between inflated demand forecasts and inflated procurement costs does not make that relationship disappear. Ignoring climate risks to hydropower does not make those risks go away. It simply guarantees that the consequences will be greater when they cannot be deferred, and that those consequences will fall on Ontario ratepayers.

The Long-Term 2 RFP, as currently structured, prioritizes new build over existing assets, does not disclose the political drivers behind its demand forecast basis, does not protect ratepayers from planning cost socialization, offers 20-year contracts to water-dependent generation without climate-risk safeguards, and was developed under a policy framework, Energy for Generations, that ignores the Province's own climate science. ORA urges the IESO to address these structural deficiencies before Window 2 design is finalized.

In the current fiscal and climatic environment, uncertainty must be treated as a primary planning constraint, not an afterthought.

A further and fundamental concern is the continued treatment of hydropower as a non-emitting resource within Ontario's procurement and planning framework, despite extensive peer-reviewed evidence that reservoirs emit significant greenhouse gases, including methane produced through well-documented biogeochemical processes in flooded organic material. These emissions have been studied for decades and are recognized internationally, including by researchers whose work informs Canadian and IPCC assessments. Yet hydropower continues to be modelled as emission-free in planning studies and is permitted to qualify for environmental and low-carbon policy benefits, while its documented lifecycle emissions are ignored in procurement design.

Structuring 20-year procurement contracts for repowered hydropower under these assumptions introduces a significant planning error. It assumes both emission neutrality and long-term output reliability, neither of which can be assured, particularly as climate change increases hydrologic variability across Ontario. This disconnect between established science and procurement design weakens the integrity of system planning and risks committing ratepayers to long-term obligations based on incorrect environmental and performance assumptions.

Correcting this gap is essential. Long-term procurement decisions cannot remain credible if known greenhouse gas emissions are ignored while environmental benefits continue to be assigned to the same facilities.

Linda Heron, Chair
Ontario Rivers Alliance

¹ IESO Engagement: May 29, 2025, Quarterly Bulk Planning Studies Update: Part 1, Northern Ontario Bulk Plans, Eastern Ontario Bulk Plan, IESO Transmission Planning. (IESO Presentation).

² Annual Planning Outlook, Ontario's electricity system needs: 2025-2050, March 2024. PDF Pages 57-58. Online: <https://www.ieso.ca/-/media/Files/IESO/Document-Library/planning-forecasts/apo/Mar2024/2024-Annual-Planning-Outlook.pdf>

³ IESO Engagement: December 18, 2025, Long Lead-Time Request for Proposals (IESO Presentation).

⁴ Climate Risk Institute. (2023). Ontario Provincial Climate Change Impact Assessment Technical Report. Report prepared by the Climate Risk Institute, Dillon Consulting, ESSA Technologies Ltd., Kennedy Consulting and Seton Stiebert for the Ontario Ministry of Environment, Conservation and Parks. Online: <https://www.ontario.ca/page/ontario-provincial-climate-change-impact-assessment>

⁵ Annual Planning Outlook, Ontario's electricity system needs: 2025-2050, March 2024. PDF Pages 57-58. Online: <https://www.ieso.ca/-/media/Files/IESO/Document-Library/planning-forecasts/apo/Mar2024/2024-Annual-Planning-Outlook.pdf>

⁶ North of Dryden Integrated Regional Resource Plan, IESO, January 26, 2015. P-56 & 124. Online: <https://www.ieso.ca/-/media/Files/IESO/Document-Library/regional-planning/North-of-Dryden/North-Dryden-Report-2015-01-27.pdf>