



APRIL 21, 2026

Long Term 2 (LT2) RFP - Window 2

Disclaimer

This presentation and the information contained herein is provided for informational purposes only. The IESO has prepared this presentation based on information currently available to the IESO and reasonable assumptions associated therewith, including relating to electricity supply and demand. The information, statements and conclusions contained in this presentation are subject to risks, uncertainties and other factors that could cause actual results or circumstances to differ materially from the information, statements and assumptions contained herein. The IESO provides no guarantee, representation, or warranty, express or implied, with respect to any statement or information contained herein and disclaims any liability in connection therewith. In the event there is any conflict or inconsistency between this document and the IESO market rules, any IESO contract, any legislation or regulation, or any request for proposals or other procurement document, the terms in the market rules, or the subject contract, legislation, regulation, or procurement document, as applicable, govern.

Communications Protocol

- Proponents in the LT2(e-1) and (c-1) RFPs are reminded that procurements continue to be governed by the requirements in the RFPs, in particular, the communications provisions set out in Section 3.5. These requirements remain in effect until the conclusion of the procurements. This includes restrictions on communications for Excluded Purposes.
- The IESO will not be answering project specific questions during this webinar.

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 to date. A high-level overview of the results of the LT2(e-1) RFP will also be provided.

Agenda

Today's engagement will cover the following topics:

1. LT2(e-1) Results
2. Repowering Eligibility
3. Definition of Repowering
4. Deliverability Guidance for LT2 Window 2
5. Additional Stakeholder Feedback



LT2(e-1) RFP Results

Recap: RAF Competitive Procurements to Date

Mechanism	Result (MW)	Resource Types	Commitment
MT1 RFP	757	1 wind facility 4 natural gas facilities	5-year contracts, 3 from 2024-2029, 2 from 2026-2031
E-LT1 RFP	1,177	15 storage projects 2 natural gas facilities	~20-year contracts, starting as early as 2025, ending in 2047 Natural gas contracts end in 2040
LT1 RFP	2,194	10 storage projects 2 natural gas facilities 1 biogas project	~20-year contracts, starting no later than 2028, ending in 2048 Natural gas contracts end in 2040
MT2(e) RFP	995	16 wind facilities 2 landfill gas facilities 1 biomass facilities	5-year contracts, 2 from 2026-2031, 5 from 2027-2032, 4 from 2028-2033, 7 from 2029-2034
MT2(c) RFP	2,006	8 natural gas facilities	5-year contracts, 5 from 2026-2031, 3 from 2029-2034

LT2(e-1) RFP High Level Results

- The IESO **successfully met the 3 TWh target** for the LT2(e-1) RFP. Together, these resources will help meet energy needs forecast to emerge in the early 2030s and beyond.
- Window 1 achieved robust competition and was oversubscribed in terms of total Expected Annual Imputed Production of Proposals received by ~4x.
- As announced on April 9, the results of this procurement are:

	Number of Proposals	Contract Capacity (MW)	Expected Annual Imputed Production (TWh)
Wind Proposals Selected	2	400.00	1.26
Solar Proposals Selected	12	915.10	1.76
Total Proposals Selected	14	1,315.10	3.02

LT2(e-1) RFP High Level Results cont'd

	Wind	Solar	Total
Successful Proposals	2	12	14
Located in Northern Ontario	2	8	10 (71%)
50% or more Indigenous Participation	2	12	14 (100%)
Weighted Average Fixed Price (\$/MWh)*	Not Available**	Not Available**	\$87.80

Note: A Municipal Support Resolution prior to Proposal Submission was a mandatory requirement of this procurement – all projects sited on municipal lands obtained municipal support.

*Weighted Average Fixed Price of selected proposals only.

**Individual contract prices will be released after contracts are executed.

LT2(e-1) RFP Project Locations



Overview of LT2 RFP Window 2 Design Considerations

Items Discussed Today

- Repowering Eligibility
- Definition of Repowering
- Deliverability Guidance for LT2 Window 2
- Additional Stakeholder Feedback

Items under Ongoing Consideration

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

Items to be informed by Government Policy

- Municipal and Indigenous Support Confirmations
- Agricultural Land Restrictions and Environmental Permitting
- Buy Local Provisions



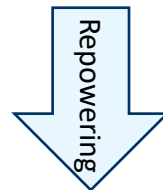
Repowering Eligibility

Recap: Previously Proposed Framework



Medium-Term RFP

- Must complete at least one Medium-Term contract to be eligible for Repowering under the LT2 RFP



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

Repowering Eligibility

What we have heard from stakeholders

- Stakeholders have suggested they should not be required to complete an MT contract to be eligible for repowering; rather there should be an opportunity to exit MT Contracts early to repower
- Stakeholders have also asked for alternate pathways for repowering eligibility, citing concerns that some existing facilities are already nearing end-of-life and would not be able to operate for an additional MT contract term

IESO Response

- The IESO is open to modifying the requirement to allow facilities to be eligible to repower after completing 3 years of an MT contract, which would widen the pool of facilities eligible to submit repowering proposals into the LT2 Window 2 RFPs

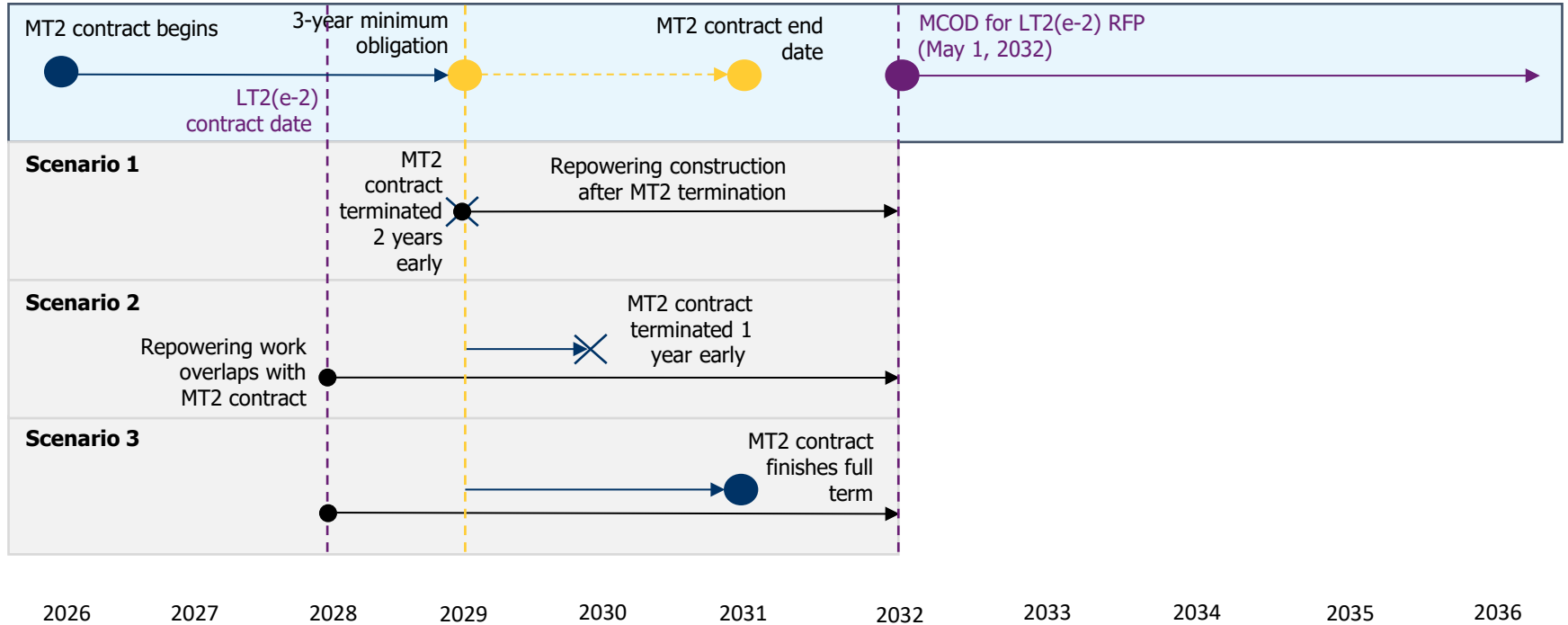
Repowering Eligibility – Proposed Modifications

- Must complete minimum of 3 years of an MT contract in addition to previous IESO or OEFC contract to be eligible for repowering under LT2
- Proponents pursuing repowering must specify if/when they will be terminating their existing MT contract when registering for LT2 Window 2
- In addition, Proponents must specify whether they intend to complete all repowering work after terminating their MT contract or complete some portion of it while still operating under their MT contract
 - Any modification to equipment used to generate under their MT contract would require approval for a Facility Amendment under their MT contract
 - If completing repowering work during the MT Contract term, the Supplier would need to continue to fulfill all obligations of their existing MT Contract

Repowering Eligibility – Proposed Modifications cont'd

- All repowering work must be complete by the same fixed MCOD as new-builds under LT2 (May 1st, 2032). This means Proponents will need to specify an MT contract termination date that both satisfies the 3-year requirement and provides sufficient time to complete repowering work to reach the LT2 MCOD.

Example – Medium-Term 2 Contract Beginning in 2026



Repowering Eligibility – Alternate Eligibility Pathways

- The IESO remains open to the possibility of allowing an alternate eligibility pathway for existing facilities that do not fit into the proposed framework, either because they have never had an IESO/OEFC contract or because their facility is already at end-of-life and cannot reliably fulfill the obligations of an MT Contract over a 5-year term
- Proponents with any such existing facilities, and who have not already done so, should submit facility-specific information to the IESO and/or reach out to engagement@ieso.ca to schedule a 1-on-1 consultation



Definition of Repowering

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 1st, 2032 will have completed the term (minimum 20 years) of a contract with the IESO or the OEFC, AND:

- 1. Has also completed a minimum of 3 years of a Medium-Term Contract*
- 2. Is proposing either an Upgrade or a Redevelopment as defined in the LT2 Contract*

- Repowering Projects will be subject to the same requirements and performance obligations as new-builds under the LT2 RFP and Contract
- The IESO is not considering making a distinction between “full repowering” and “partial repowering” in terms of contract obligations or competition
- Declaration of COD will be contingent on an Independent Engineer’s certification

IE Certificate for Commercial Operation

I.E. attestations required to achieve commercial operation:

- A. The facility has been completed in all material respects
- B. Connection point specification is accurate
- C. The facility has been constructed, connected, commissioned and synchronized such that 100% of the contract capacity is available to generate and deliver electricity in accordance with applicable laws and regulations
- D. The facility has been designed and constructed such that its useful life, if operated and maintained in accordance with Good Engineering and Operating Practices, is reasonably expected to extend until at least the LT2 contract expiry date
- E. The facility has all permits and approvals

Definition of Repowering

What we have heard from stakeholders

- Some stakeholders have asked for technology-specific guidance or illustrative thresholds for what constitutes “substantial replacement of energy-generating equipment”, noting that too vague a definition can lead to projects being treated inconsistently

IESO Response

- The IESO has previously received stakeholder feedback recommending that the technical details of repowering should remain at the developer’s discretion due to the array of options for different technologies and the facility specific nature of repowering
- Given the IESO’s history of closed book competitive procurements, along with challenges, and potential higher costs, that arise from setting technology-specific equipment replacement thresholds, this is still the preferred approach

Definition of Repowering – Possible Guardrails

Guardrail	Benefit	Risk
Technology-specific equipment replacement specifications/thresholds	<ul style="list-style-type: none"> • High certainty that repowering projects involve material physical upgrades • Tangible compliance checklist • Reduces risk of asset life overstatement 	<ul style="list-style-type: none"> • Limits innovation/alternative solutions, difficult to land on one-size-fits-all approach for each technology • May exclude cost-efficient partial repowers • Requires audit/inspection regime • Risks becoming outdated as technology evolves
Independent engineer certification	<ul style="list-style-type: none"> • Helps to screen out unrealistic production and life assumptions • Lower administrative burden than physical audits 	<ul style="list-style-type: none"> • Risk of “box-checking” certifications if scope is weak/not defined adequately • Potential for inconsistent interpretations across independent engineers
Modified performance security requirements	<ul style="list-style-type: none"> • Reflects higher technical and longevity risk of repowering projects • Discourages speculative performance claims • Simple to implement within existing framework 	<ul style="list-style-type: none"> • Increases price of repowering projects
Minimum requirements based on historical facility output	<ul style="list-style-type: none"> • Anchors expectations in observable historical performance • Encourages meaningful upgrades or efficiency gains 	<ul style="list-style-type: none"> • Excludes efficient downsizing strategies

Definition of Repowering – Summary

- The IESO continues to lean toward a non-prescriptive, performance-based framework for defining repowering, anchored by independent engineer certification, LT2 contract performance obligations and increased performance security requirements (relative to LT2 new-builds)
 - Maximize competition and innovation by allowing proponents to determine the most efficient repowering approach
 - Strong ex-post enforcement (non-performance charges/higher security)
 - Avoid administrative burden and risk of unintended exclusions associated with a more prescriptive approach
- The IESO remains open to feedback, recognizing the balance that exists between flexibility/competition, cost, and delivery risks



Deliverability Guidance for LT2 Window 2 RFPs

Deliverability Guidance for Window 2 of the LT2 RFP

What we've heard from stakeholders

- The IESO should standardize its publishing of deliverability guidance and commit to a service standard of no more than one month after contracts are awarded for generation procurements

IESO Response

- The IESO is exploring ways to streamline deliverability guidance for Window 2 of the LT2 RFP to reduce turnaround time as much as possible; however, publishing this information one month after contract award is not feasible at this time.

Deliverability Guidance for Window 2 of the LT2 RFP

What we've heard from stakeholders

- Deliverability guidance should be provided often to Proponents with updates made to available transmission capacity after results become available for the IESO's on-going generation procurements (i.e. LT2(e-1) RFP, LT2(c-1) RFP, LLT RFP)

Deliverability Guidance for Window 2 of the LT2 RFP

IESO Response

- The IESO currently expects to issue deliverability guidance in **three phases**:
 - 1. List of Transmission Projects Considered for LT2 Window 2 (Today):** A list of planned transmission upgrades (new circuits, stations and re-enforcements) that were not available under LT2 Window 1 are provided in Appendix A of this presentation along with early insights into the upcoming draft deliverability guidance.
 - 2. Draft Deliverability Guidance (Sept 2026 or earlier):** An initial draft of deliverability guidance that incorporates planned transmission upgrades as well as results from the LT2(e-1) RFP and LT2(c-1) RFP
 - 3. Final Deliverability Guidance (ASAP 2027):** The final version that builds on the initial draft by incorporating results from the LLT(e) RFP and LLT(c) RFP

Transmission Projects Considered for LT2 Window 2

- Appendix A provides a list of transmission upgrades that will be available in Window 2 and were not available under Window 1 of the LT2 RFP. This list includes transmission lines, stations, and reinforcements with in-service dates of 2031-2032.
- Compared to the connection guidance provided for LT2 Window 1, the IESO expects the following to be reflected in its upcoming initial draft of deliverability guidance:
 - Area congestion limits are generally expected to increase by ~100 MW in Eastern Ontario (specifically, the East of Bowmanville limit)
 - Area congestion limits in the North of Toronto and West of Toronto electrical zones are not expected to change
 - The treatment of short-circuit and protection limits from LT2 Window 1 are expected to continue for LT2 Window 2
 - Interties and most stability limited circuits are expected to remain designated as “not-allowed” for connection

Transmission Projects Considered for LT2 Window 2 (2)

- Lines that were already considered in-service for Window 1 of the LT2 RFP (non-bolded projects in Appendix A) will not create circuit capacity incremental to what was identified in the Preliminary Connection Guidance provided for LT2(e-1) RFP and LT2(c-1) RFP. However, new connection opportunities will exist on circuits coming in-service in 2030 or later
- Based on results of LT2(e-1) at first glance, capacity in Northern Ontario will be limited; however, significant capacity remains available both in Southwestern and Eastern Ontario.



Additional Stakeholder Feedback

Contract Term

What we have heard from stakeholders

- Stakeholders of wind and solar facilities have requested an increase of the contract term to 25-30 years for better alignment with the longer operational life of modern wind and solar facilities
- 30-year contract terms are currently being offered for wind and solar facilities in recent and on-going BC Hydro and Hydro Quebec procurements
- Longer contract terms benefit Ontario ratepayers due to lower submitted proposal prices as project debt can be amortized over a longer period

Contract Term

IESO response

- As per the [November 2024 Ministerial Directive](#) issued to the IESO, the LT2 RFP is open to all eligible technologies with contract terms issued for 20 years to all successful proponents
- Typically, contracts offered by the IESO under its generation procurements have been capped at 20 years in order to limit long-run ratepayer exposure and provide the IESO with greater flexibility to respond to changes in technology costs, demand outlooks and supply mix requirements
- The IESO recognizes that advancements in wind and solar technologies may now allow modern facilities to operate for 30+ years, as reflected through contract terms offered under recent renewable procurements in British Columbia and Quebec. The IESO values the flexibility offered by 20-year contract terms, in conjunction with the ability to re-contract existing facilities under the MT RFPs

Contract Term (2)

IESO response (cont'd)

- While some technologies may be able to operate for 30 years or more, it is unclear if all technologies would be able to do so under a technology agnostic procurement. Although the IESO is currently not considering longer contract terms under Window 2 of the LT2 RFP, it remains open to exploring the possibility of longer terms that would be subject to performance obligations consistent with those under LT2 Window 1
- The IESO notes that any extension of contract terms would be subject to government direction, given the specifications of the existing LT2 Directive

Bifurcating Energy Procurement Target

What we've heard from stakeholders

- Procurement target should be bifurcated between repowered and new-build facilities as bifurcation would result in a greater number of proposals and lower proposal prices

IESO Response to Feedback

- The IESO does not intend to bifurcate the energy target between new-build and repowered facilities and disagrees that it would result in more proposals and lower prices
- The current procurement framework is designed to maintain competition amongst all project types within the overall energy target. Subject to the cap on repowered resources, this will allow the IESO to contract with the most cost-effective resources, regardless of whether they are new-build or repowered resources.
 - As communicated previously, the cap on repowered resources will be informed by the pool of eligible existing facilities as well as the level of concurrent outages that can be accommodated while supporting system reliability

Bifurcating Energy Procurement Target (2)

IESO Response to Feedback (cont'd)

- Proposals for repowering will only be accepted when they are cost-effective compared to new-build proposals while accepting deliverability considerations to better help ensure that ratepayers do not overpay for repowering projects.
- Repowering proposals that are more expensive than comparable new-build proposals will only be accepted where deliverable new-build supply is insufficient to meet the energy target. In such cases, higher-priced repowering resources would signal a necessary reliance on existing resources, justifying the acceptance of higher costs to meet reliability needs

Municipal Support Confirmations

What we've heard from stakeholders

- Repowering projects that do not increase their footprint and do not include noise emissions above the level authorized by pre-existing approvals should not be required to obtain a municipal support confirmation (MSC)
- MSCs should be a rated criteria category and not a mandatory requirement

IESO Response to Feedback

- The IESO acknowledges the regulatory complexity facing repowering projects and will share this feedback in its discussions with government. At this time, the IESO does not expect repowered resources to be exempt from the requirement to obtain an MSC.

Agricultural Land Use Policies

What we've heard from stakeholders

- Imposing agricultural land use policies or permitting requirements such as those applicable under LT2(e-1) would limit the pool of potential repowering projects

IESO Response to Feedback

- While agricultural land use policies will reflect policy decisions made by Government, they may be similar to those under LT2 Window 1 and likely be enforced consistently across new-build and repowered facilities. In this case, the IESO would expect ground-mount solar projects located in prime agricultural areas would continue to be eligible to re-contract under the MT RFP framework

Contractual Off-Ramps for Gas-Fired Facilities

What we've heard from stakeholders

- Termination mechanisms or off-ramps should be considered for gas-fired facilities to provide suppliers with the flexibility to exit contracts if legislative changes negatively impact operating conditions or the ability to economically produce electricity

IESO Response to Feedback

- The IESO will share this feedback in upcoming discussions with Government on gas-fired facility policy and expects, that the LT2(c-2) Contract will include provisions similar to those under section 2.14 of the LT2(c-1) Contract which allowed gas-fired facilities to exit contracts early if pending legislation (i.e. CERs) prevented compliance with contractual must-offer requirements.

Contractual Off-Ramps for Gas-Fired Facilities (2)

IESO Response to Feedback (cont'd)

- Similar to LT2 Window 1, any mechanism that allows a gas-fired facility to exit its contract early due to legislative changes will be available under the **capacity stream only**
- While gas-fired facilities can provide both energy and capacity, the IESO is seeking capacity from these resources to help meet future system adequacy needs. The capacity stream, with its must-offer obligation, provides greater certainty of reliable capacity. Given the nature of the services procured under the energy stream, contractual off-ramps related to legislative changes will not be offered under the energy stream

Early Operational Incentives

What we've heard from stakeholders

- Provide clarity on what early operational incentives will be offered for new-build and repowered facilities

IESO Response to Feedback

- For new-build facilities, the IESO is still evaluating the need for early operational incentives and will inform its decision based on system adequacy needs that reflect procurement outcomes, such as those from LT2 Window 1
- For repowered facilities, early operational incentives are currently not being considered



Next Steps

Next Steps

- The IESO invites stakeholder feedback on the materials presented today by **May 8, 2026**
- All written feedback should be submitted to 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

Thank You

ieso.ca

1.888.448.7777

customer.relations@ieso.ca

engagement@ieso.ca



[@IESO Tweets](https://twitter.com/IESO)



[linkedin.com/company/IESO](https://www.linkedin.com/company/IESO)



Appendix A: List of Transmission Projects Considered for LT2 Window 2 RFPs

Transmission Projects Considered

- This information provided in this Appendix is intended to help proponents identify areas with greater potential for incremental capacity relative to the LT2-Window 1 connection guidance. Projects highlighted in **bold** are new, in comparison to projects considered in LT2w1 RFP

Transmission Projects Considered In-service for LT2 Window 2 RFP	Zone	Target In service Date
New 2-CCT 230 kV Transmission Line between Lakehead and MacKenzie (Waasigan Phase 1)	Northwest	2026
New 1-CCT 230 kV Transmission Line between between MacKenzie and Dryden (Waasigan Phase 2)	Northwest	2027
*New 2-CCT 230 kV Transmission Line from Dryden to Ear Falls	Northwest	2032
*New 2-CCT 230 kV Transmission Line from Ear Falls to Red Lake	Northwest	2032
*New 1-CCT 230 kV Transmission Line from Longlac to Nipigon (Greenstone Transmission Line)	Northwest	2032
New 1-CCT 500 kV Transmission Line from Mississagi to Hanmer	Northeast	2029
New 2-CCT 230 kV Transmission Line from Mississagi to Third Line	Northeast	2029

*Similar to preliminary connection guidance for the LT2(e-1) RFP or LT2(c-1) RFP, while all circuits that have an expected in-service date before December 31, 2032 will be considered in the deliverability assessments, projects will not be allowed to connect to circuits with an in-service date beyond December 31, 2031

Transmission Projects Considered (2)

Transmission Projects Considered In-service for 2035	Zone	Target In service Date
**New 1-CCT 230 kV Transmission Line (built to 500 kV standard) from Porcupine to Wawa	Northeast	2030
*New 1-CCT 500kV Transmission Line from Hanmer to Essa	Essa	2032
New 2-CCT 230 kV Transmission Line from the Clarington to Dobbin	East	2029
Richview to Manby Transmission Reinforcement Phase 2	Toronto	2030
*New 1-CCT 500 kV Radial Transmission Line from Claireville to Kleinburg with three 500/230 kV autotransformers at Kleinburg	Toronto	2032
*New 2-CCT 230 kV Transmission Line from Kleinburg to Kirby (north of Vaughan MTS #4)	Toronto	2032
*Bowmanville B - New 500 kV station to connect Small Modular Reactors	Toronto	2032
*New 2-CCT 500 kV Transmission Line from Bowmanville towards Toronto bypassing Cherrywood	Toronto	2032

* Similar to preliminary connection guidance for the LT2(e-1) RFP or LT2(c-1) RFP, while all circuits that have an expected in-service date before December 31, 2032 will be considered in the deliverability assessments, projects will not be allowed to connect to circuits with an in-service date beyond December 31, 2031

** Connections to this circuit would require provisions to upgrade equipment to 500 kV connection standards

Transmission Projects Considered (3)

Transmission Projects Considered In-service for 2035	Zone	Target In service Date
Essa to Orangeville 230 kV Conductor Upgrade	Southwest	2027
Wellington - New 500/230 kV autotransformer station in Puslinch that will sectionalize and re-terminate 500 kV circuit M585M, from Middleport to Milton and V586M, from Middleport to Claireville.	Southwest	2031
New 2-CCT 230 kV Transmission Line from Wellington to Preston	Southwest	2031
*New Milton 230 kV station with two 500/230 kV autotransformers that will connect into two existing Trafalgar to Burlington 230 kV circuits, T38B and T39B	Southwest	2032
Buchanan to Middleport 230 kV Conductor Upgrade	West	2026
New 2-CCT 230 kV Transmission Line from Lambton to Chatham	West	2028
New 1-CCT 500 kV Transmission Line from Longwood to Lakeshore	West	2029
*New 2-CCT 230 kV Transmission Line from Lakeshore to Lauzon	West	2032

*Similar to preliminary connection guidance for the LT2(e-1) RFP or LT2(c-1) RFP, while all circuits that have an expected in-service date before December 31, 2032 will be considered in the deliverability assessments, projects will not be allowed to connect to circuits with an in-service date beyond December 31, 2031