



AUGUST 20, 2026

Long Term 2 (LT2) RFP - Window 2

Disclaimer

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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.

Engagement Principles

This engagement is conducted in accordance with the IESO's [External Engagement Framework](#), which includes the following principles:

- **Purposeful** – Initiate meaningful conversations that move the sector forward
- **Inclusive** – Invite many voices and diverse perspectives to the table
- **Timely** – Seek input and insight when it can have the most impact
- **Accessible** – Ensure we meet people where they are on their energy journey
- **Traceable** – Allow everyone to follow the path that is being taken
- **Transparent** – Show how engagement helped shape the final outcome

Shared Commitment to Respectful Participation

To support a focused and constructive discussion:

- We will take questions one at a time; please use the "raise-hand" feature to enter the speaking queue
- We encourage concise and focused comments to allow time for multiple perspectives
- Participants are encouraged to raise relevant points during the discussion and provide more detailed feedback through the written submission process
- We ask that all participants maintain a respectful and professional tone throughout the session
- Facilitators will guide the discussion and manage participation to stay aligned with today's focus and agenda. Where necessary, we may disable a participant's microphone to manage participation

Purpose

Discuss design considerations related to Window 2 of the Long Term 2 RFP, with specific focus on the draft LT2(e-2) RFP and Contract posted on August 14th 2026.

Agenda

Today's engagement will cover the following topics:

1. LT2 Window 1: Key Observations
2. LT2 Window 2: Key Changes and Posted Draft Documents
3. Additional Open Policy Items
4. Updated Timelines
5. Next Steps



Long-Term 2 RFP Window 1: Key Observations

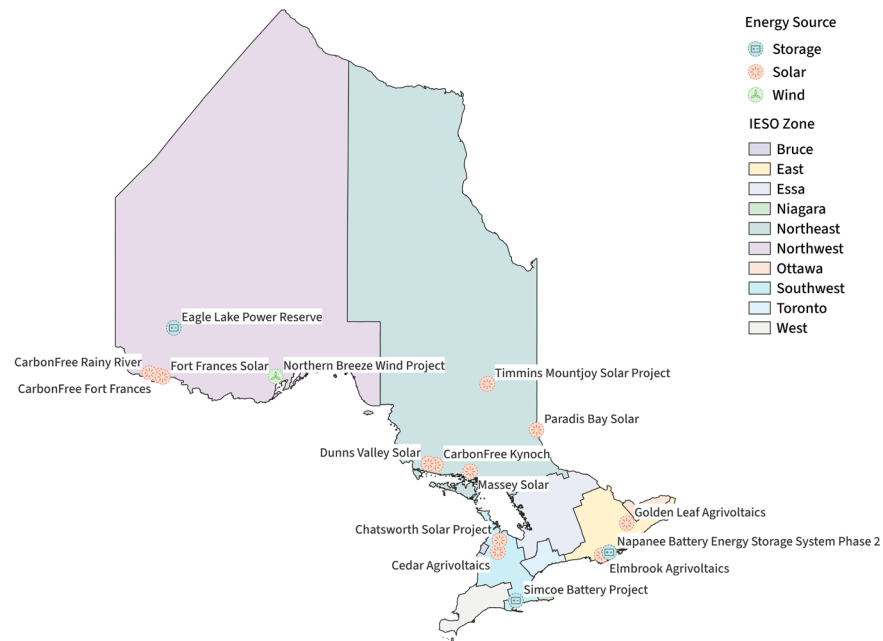
Window 1 Results

LT2 (e-1) RFP

- 13 contracts executed (12 non-rooftop solar, 1 wind)
- Annual Generation: 2.37 TWh (~79% of target)
- Weighted Average Price: \$88.84/MWh

LT2 (c-1) RFP

- 3 contracts executed (all BESS)
- 640 MW of contracted capacity (~107% of target)
- Weighted Average Price: \$563.48/MW-Business Day



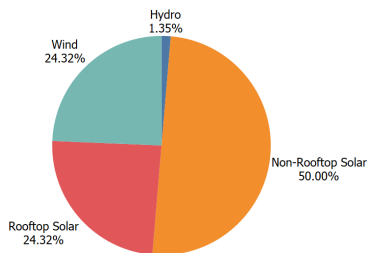
Participation – by Resource Type

LT2(e-1) RFP

A total of **74 proposals** were submitted by 27 developers.

Proposals were submitted for 4 different resource types:

1. Non-Rooftop Solar (37 proposals)
2. Wind (18 proposals)
3. Rooftop Solar (18 proposals)
4. Hydro (1 proposal)

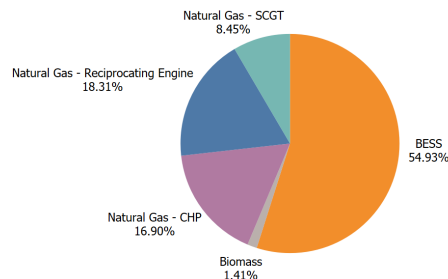


LT2(c-1) RFP

A total of **71 proposals** were submitted by 36 developers.

Proposals were submitted for 5 different resource types

1. BESS (39 proposals)
2. Natural Gas - CHP (12 proposals)
3. Natural Gas - SCGT (6 proposals)
4. Natural Gas – Reciprocating Engine (13 proposals)
5. Biomass (1 proposal)



LT2(e-1) Success Rates

- The **overall success rate was 19%** (14* of 74 proposals evaluated)
- The most successful resource type was **non-rooftop solar**
 - 40% of proposals (12 of 30) and 52% of proposed production was successful
- The most successful zone was the **Northeast**
 - 33% of proposals (5 of 15) and 29% of proposed production was successful

	# of Proposals	# of Successful Proposals	Success Rate	Successful GWh	Avg. Proposal Size Nameplate (MW)
Northwest	22	5*	23%	1815	177
Northeast	15	5	33%	1073	108
East	9	2	22%	65	18
Southwest	11	2	18%	67	6
West	3	0	0%	0	3
Ottawa	3	0	0%	0	10
Bruce	1	0	0%	0	10
Toronto	8	0	0%	0	1
Essa	2	0	0%	0	14
Niagara	0	0	0%	0	0
Total	74	14*	19%*	3020*	79

LT2(c-1) Success Rates

- The **overall success rate was 4%** (3 of 71 proposals evaluated)
- The only successful resource type was **BESS**
 - 8% of proposals (3 of 39) and 10% of proposed capacity was successful
- The most successful zone was the **Southwest**
 - 13% of proposals (1 of 8) and 35% of proposed capacity was successful

	# of Proposals	# of Successful Proposals	Success Rate	Successful MW	Avg. Proposal Size Nameplate (MW)
Northwest	12	1	8%	190	152
East	13	1	8%	300	124
Southwest	8	1	13%	150	53
Northeast	14	0	0%	0	122
West	19	0	0%	0	126
Ottawa	0	0	0%	0	0
Bruce	0	0	0%	0	0
Toronto	0	0	0%	0	0
Essa	3	0	0%	0	38
Niagara	2	0	0%	0	9
Total	71	3	4%	640	114

LT2(e-1) Participation – by Zone

- Proposals were submitted for all zones except Niagara
- **Almost 95% of total proposed production was in the North**
- Wind proposals were sited exclusively in the North
 - 83% of proposed wind production was in the Northwest zone
- Non-rooftop solar proposals were sited in every zone except Toronto
 - Roughly half of proposed non-rooftop solar production was in the Northeast zone
- All rooftop solar proposals were sited south of Georgian Bay
 - Most was in the Southwest and Toronto zones

LT2(c-1) Participation – by Zone

- Proposals were submitted for all zones except Ottawa, Bruce and Toronto
- **44% of total proposed capacity was in the North**, with 30% proposed in the West and 20% proposed in the East
- 51% of total proposed BESS capacity was in the North, with 18% proposed in the West, 22% proposed in the East, and 7% proposed in the Southwest

Rated Criteria

- All successful Proposals in both streams were awarded maximum rated criteria points (13 in Northern zones, 11 in Southern zones)
 - Notably, Indigenous participation was all or nothing (i.e., 50% or 0%) for all Proposals
- All successful Proposals were from Canadian Status Proponents except the sole executed wind contract

Additional Data by Zone: LT2(e-1)

Successful LT2(e-1) Proposals

	# of Proposals	Avg. Proposal Size Nameplate (MW)	Avg. AAIPF	Avg. Rated Criteria Points	# of Dx Connected	# of Tx Connected	# in Prime Agricultural Areas	# on Crown Land
Northwest	5	137	28%	12.0	1	4	0	2
Northeast	5	114	22%	12.0	1	4	0	1
East	2	14	27%	9.0	2	0	0	0
Southwest	2	17	23%	9.0	2	0	0	0
Total	14	94	25%	11	6	8	0	3

All LT2(e-1) Proposals

	# of Proposals	Avg. Proposal Size Nameplate (MW)	Avg. AAIPF	Avg. Rated Criteria Points	# of Dx Connected	# of Tx Connected	# in Prime Agricultural Areas	# on Crown Land	# that failed Deliverability
Northwest	22	177	29%	11.7	2	20	0	15	13
Northeast	15	108	24%	11.6	3	12	0	5	5
East	9	18	20%	8.1	8	1	0	0	2
Southwest	11	6	18%	4.2	11	0	0	0	0
West	3	3	19%	0.0	3	0	0	0	0
Ottawa	3	10	20%	5.0	3	0	0	0	1
Bruce	1	10	26%	9.0	1	0	0	0	0
Toronto	8	1	13%	3.0	8	0	0	0	1
Essa	2	14	19%	3.0	2	0	0	0	0
Niagara	0	0	0%	0.0	0	0	0	0	0
Total	74	79	23%	8.5	41	33	0	20	22

Additional Data by Zone: LT2(c-1)

Successful LT2(c-1) Proposals

	# of Proposals	Avg. Proposal Size Nameplate (MW)	Avg. Rated Criteria Points	# of Dx Connected	# of Tx Connected	# in Prime Agricultural Areas	# on Crown Land
Northwest	1	190	12.0	0	1	0	0
East	1	300	9.0	0	1	0	0
Southwest	1	150	9.0	0	1	0	0
Total	3	213	10	0	3	0	0

All LT2(c-1) Proposals

	# of Proposals	Avg. Proposal Size Nameplate (MW)	Avg. Rated Criteria Points	# of Dx Connected	# of Tx Connected	# in Prime Agricultural Areas	# on Crown Land	# that failed Deliverability
Northwest	12	152	11.1	2	9	0	2	0
Northeast	14	122	10.6	7	7	0	1	1
East	13	124	5.8	5	8	3	0	0
Southwest	8	53	6.0	6	2	4	0	0
West	19	126	0.0	11	7	8	0	0
Ottawa	0	0	0.0	0	0	0	0	0
Bruce	0	0	0.0	0	0	0	0	0
Toronto	0	0	0.0	0	0	0	0	0
Essa	3	38	7.5	2	1	1	0	0
Niagara	2	9	3.0	2	0	2	0	0
Total	71	114	4.4	35	34	18	3	1

Price Curves

- The IESO is contemplating releasing price curves for each stream; prices of all proposals would be displayed from lowest to highest with no size (or other) data that could be used to identify prices of specific Proposals.
- Stakeholders are encouraged to share their feedback on this proposition.



LT2 RFP Window 2: Key Changes and Posted Draft Documents

Key Changes for LT2 Window 2

The IESO posted the draft LT2(e-2) RFP and Contract on August 14th, 2026. The following slides outline key changes currently reflected in the drafts (incorporating stakeholder feedback from the last engagement) and changes that can be anticipated in future drafts.

Repowering

Barring
Proponents not
in Good Standing

E-PPA Design:
DA to RT
Adjustments

Domestic
Content
Requirements

Tx Connection
Cost Provisions

Communication/
Announcement
Reporting

Online Proposal
Submission Tool

Repowering

Who is eligible? (*in the RFPs*)

The RFPs now define what constitutes an Eligible Existing Facility to submit a Repowering Proposal.

What counts as repowering? (*in the Contracts*)

The Contracts define the nature of the work and the IE certification requirements for achieving Commercial Operation.

How much is procured? (*in the RFPs*)

The RFPs outline the competition mechanism for Repowering, as it relates to the New Build Target.

Repowering: Eligible Existing Facility

Both the Capacity and Energy RFPs use the same definition:

An existing licensed, operating Electricity generation or storage facility, registered as a resource in the IESO-administered markets, and that:

- (a) is the subject of an MT Contract; or*
- (b) was commissioned no later than May 1, 2009 – and, if subject to a contract with the IESO other than an MT Contract, that contract has an expiry date no later than April 30, 2032.*

MT Clause – RFPs 3.6

- Eligible Existing Facilities with an MT Contract must specify MT Contract Termination Date.
- That date must be no earlier than the 3rd anniversary of the MT term commencement date and no later than May 1st, 2032 – requires MT contract amendment executed alongside awarded LT2 Contract.

Repowering: Definition of Repowering

"Repower" means a proposed Upgrade or Redevelopment of an Eligible Existing Facility.

"Upgrade" means the refurbishment or replacement of equipment or technology in respect of an existing Electricity resource, which may include the addition of new equipment or technology.

"Redevelopment" means the substantial replacement of physical infrastructure constituting an existing Electricity resource.

Each RFP then builds on this:

- A Repowering Long-Term Energy/Capacity Services Project is a Long-Term Energy Project/Capacity Services Project that is a Repower.
- A Repowering Proposal is a Proposal in respect of a Repowering Long-Term Energy Project/Capacity Services Project.

Repowering: Requirement for Commercial Operation

New requirement – Section 2.5(a)(i)(E) of the Contract:

If the Facility is a Repowered Facility, work on the Facility has been performed following the Contract Date in a manner reasonably designed to enable the Facility to operate in accordance with the IESO Market Rules until the Expiry Date, subject to operation and maintenance of the Facility in accordance with Good Engineering and Operating Practices.

Certified by the Independent Engineer – new paragraph (f):

The Form of Independent Engineer Certificate in the appendix has been updated with a corresponding paragraph in the same terms, so the requirement is certified at commercial operation.

Repowering: Competition Mechanics

New RFP terms:

- **New Build Target:** the targeted aggregate Expected Annual Production from New Build Proposals for the procurement window.
- **Repowering Cap:** the maximum aggregate Expected Annual Production that will be accepted from Repowering Proposals for the procurement window – derived based on the maximum acceptable concurrent outages from Eligible Existing Facilities that will not compromise system reliability.

All Repowering Proposals with an Evaluated Proposal Price that is lower than the most expensive selected New Build Proposal will be accepted, up to a maximum established by the Repowering Cap.

Repowering: Competition Mechanics

Section 4.5 (e) of the RFPs:

Proposals will only be added to the Offer List until such point where the addition of a Proposal from the Preliminary List results in the exceedance of the New Build Target or the Repowering Cap, as applicable, following which:

- (i) in the case of the New Build Target being met, no further Proposals from the Preliminary List; and
- (ii) in the case of the Repowering Cap being met, no further Repowering Proposals from the Preliminary List,

shall be added to the Offer List. For clarity, subject to the Repowering Cap, Repowering Proposals on the Preliminary List are eligible to be added to the Offer List until such a point where the addition of a further New Build Proposal from the Preliminary List causes the aggregate Expected Annual Energy of the New Build Proposals on the Offer List to meet or exceed the New Build Target Energy.

Repowering: Competition Mechanics (cont'd)

The New Build competition sets the price that Repowering Proposals must beat:

- Repowering Proposals do not compete against each other alone – the relevant benchmark is set by the marginal New Build Proposal.
- This price threshold is not known in advance; it emerges from the New Build competition.
- In addition, volume is limited by the Repowering Cap.
- The same structure applies in both streams (expressed in MWh for the Energy RFP and MW for the Capacity RFP).

Design intent: leverage as much repowering as can be reliably managed each window, provided it delivers value below the cost of new supply, while ensuring the procurement's core target is met by New Build in alignment with planning assumptions.

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

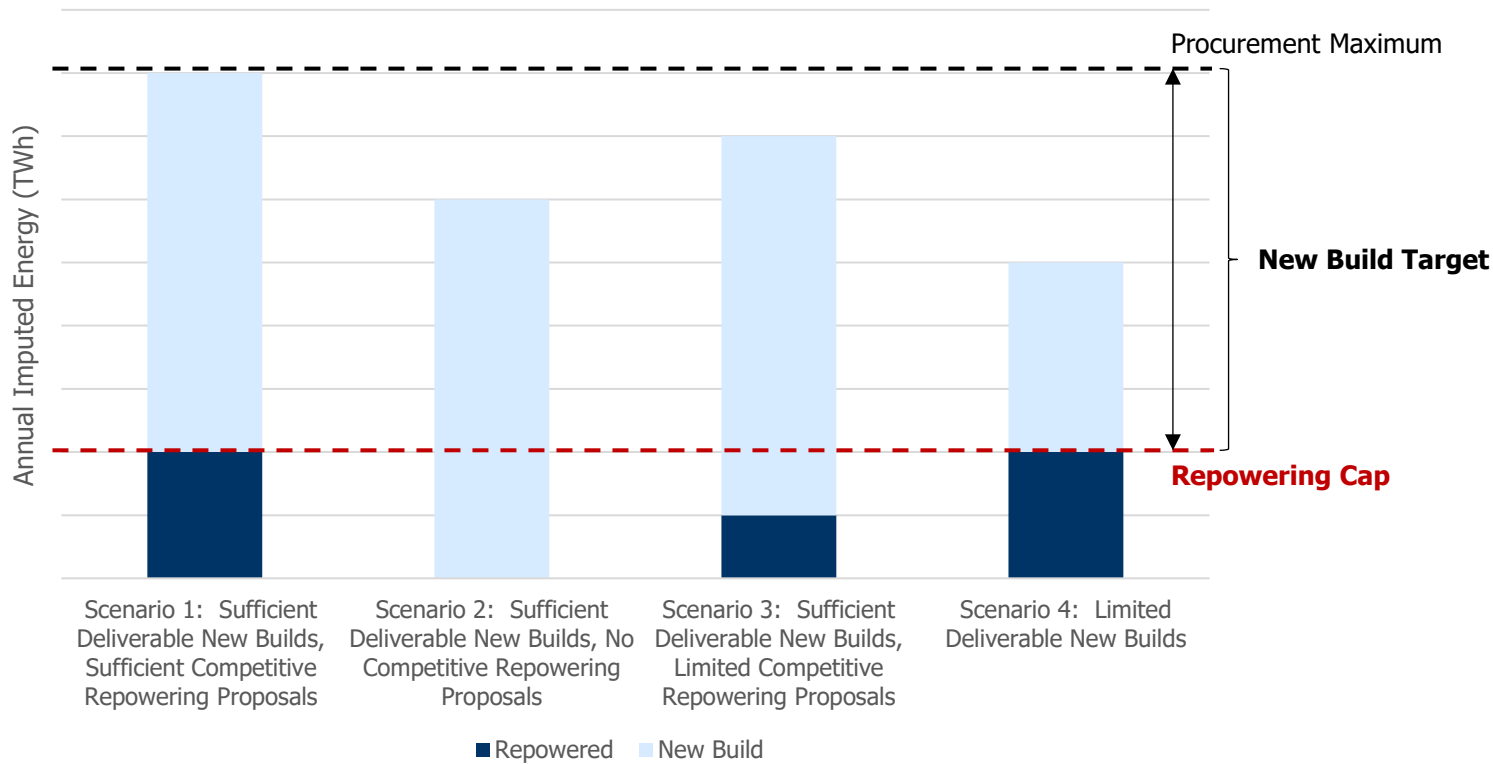
Size: 500 GWh
Price: 68 \$/MWh

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



Barring Proponents not in Good Standing

What we heard:

- Concern that a barring or good-standing regime went too far as a response to a Selected Proponent declining to execute its Contract.
- Particular concern about retroactive application, and about the consequences reaching beyond the Proposal itself.

IESO Response:

- Proposal Security will remain the primary consequence for a Selected Proponent that declines to execute.
- The IESO will not proceed with a barring regime at this time, and will not apply any such measure retroactively. The IESO will monitor future procurement outcomes and may revisit this provision.

E-PPA Design: DA to RT Adjustments

What we heard:

- Stakeholders opposed the removal of DARTA, noting that the fundamental source of risk remains unchanged and that the removal of this protection would transfer significant uncontrollable risk onto Proponents.
- Several stakeholders suggested a phased reduction of DARTA protection instead.

IESO Response:

- The IESO will maintain the current DARTA protection framework for LT2(e-2), but will lower the protection threshold from 85% to 60%; this change has been reflected in the draft LT2(e-2) Contract.
- Further consideration will be given to removing DARTA and/or progressively phasing down the DARTA protection threshold further in future LT2 energy windows.

Additional Notes

Domestic Content

- Draft documents currently contain the same language/framework as the LLT RFP as a placeholder; details of the framework for LT2 are still pending discussion with government and open for stakeholder feedback.

Tx Connection Cost Provisions

- Interim provisions from Window 1 have been removed, per the IESO's public messaging from past webinars.

Form of Quarterly Progress Report

- Line item 15 has been added to notify the IESO about the holding of any public events or making any public communications.

Online Proposal Submission Tool

- The IESO is in the process of testing a new online procurement tool to be used for LT2 Window 2 and future procurements; an online Proposal submission portal will eliminate the need for individual prescribed form submissions - more details to come in subsequent engagements.

Request for Feedback

Federal Crown Land

- Please inform the IESO if you intend to site your project on federal Crown land. This feedback will help to shape the RFP rules and requirements. This feedback can be confidential.



LT2 RFP Window 2: Open Policy Items

Locational Rated Criteria

What we heard:

- Stakeholders emphasized the importance of early publication and transparency regarding locational rated criteria, requesting that eligible circuits, zones, methodologies and the incentive point allocations be published as early as possible.

IESO Response:

- The IESO recognizes the importance of locational rated criteria in supporting project development and siting decisions.
- Discussions on this topic are ongoing with government as well as internally and further detail will be provided as soon as an approach is confirmed.

Municipal Support

What we heard:

- Some stakeholders raised concerns around the timing of municipal elections and the challenges this may present, suggesting either removing the requirement or allowing for alternate forms of municipal engagements.
- Some stakeholders emphasized that municipal support requirements should be applied consistently across project types, including repowered facilities.

IESO Response:

- The requirement for municipal support, and the form that requirement takes, is established by government policy as set out in the Directive. The IESO does not expect this requirement to change and also notes that the timing of Window 2 was pushed back to accommodate municipal elections.
- The requirement will be applied consistently across all Proposals, including Repowering Proposals.

Prime Agricultural Areas

What we heard:

- Some stakeholders recommended the IESO reconsider restricting solar development in Prime Agricultural Areas, suggesting that the current restrictions may unnecessarily limit viable project opportunities.
- Stakeholders noted that dual-use agrivoltaics can support both agricultural production and electricity generation, citing benefits such as continued agricultural activity, farmer revenues, crop protection, and land-use efficiency.

IESO Response:

- Restrictions on development in Prime Agricultural Areas reflect broader provincial land use policy as set out in the Directive. The IESO is currently discussing this topic with government and will provide an update as soon as direction has been confirmed.

Separate Capacity Procurement Targets

What we heard:

- Stakeholders recommended establishing separate capacity procurements targets for storage and non-storage resources, citing the importance of maintaining resource diversity.
- Stakeholders also noted that based on the IESO's own analysis of effective load carrying capability, batteries will have a diminishing impact on providing capacity.

IESO Response:

- The IESO heard consistent feedback on this topic and this is a central reason why only the draft energy stream documents have been posted at this time.
- The IESO is currently conducting analysis on the relative capacity value of storage and natural gas resources and is weighing alternatives to a single capacity target. An update on this topic, as well as draft capacity stream documents will be provided as soon as possible.



Long-Term 2 RFP Window 2: Updated Timeline

Procurement Timelines

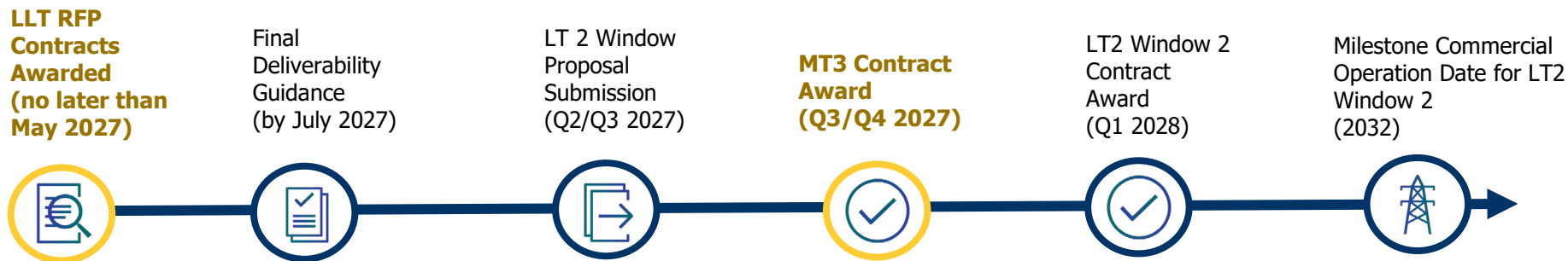
- Procurement timelines are under development and will need to be coordinated with activities related to the MT3 RFP and LLT RFP



On-going engagement

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.

Procurement Timelines (2)



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.



Next Steps

Next Steps

- The IESO invites stakeholder feedback on the materials presented today by **Sept 4, 2026**
- The Draft LT2(e-2) RFP and Contract can be found on the [LT2 website](#)
- 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

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