

Feedback Form

Long-Term 2 RFP – August 20, 2026

Feedback Provided by:

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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 August 20th, 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 September 4, 2026.

Repowering

Do you have feedback on the proposed requirements?

- Repowering: Requirement for Commercial Operation:
- Repowering: Competition Mechanics:

Federal Crown Land

Please inform the IESO if you intend to site your project on federal Crown land.

Disclosure of Additional Pricing Information for Window 1

Clean Energy Canada is supportive of the IESO releasing price curves for LT2 Window 1, as this enhances the transparency of the process.

General Comments/Feedback

Approach to domestic content requirements for LT2 Window 2:

Clean Energy Canada supports an incentive-based approach to domestic content requirements in LT2 Window 2 that broadly aligns with the [Ministerial Directive for the LLT RFP](#) but recommends a lower minimum percentage threshold (less than the 60% outlined in the LLT Directive) for proponents to qualify for the incentive. This approach balances the objectives of strengthening Canadian supply chains while recognizing the current supply chain realities of the technology types competing in LT2, and aligns with the position that other clean energy [industry stakeholders](#) have been advancing throughout this public engagement process. Clean Energy Canada also supports using manufacturing location to determine the definition of a Canadian good, as outlined in the LLT Directive. This will recognize the role that domestic manufacturing plays in producing critical energy technologies, as many components are manufactured in Canada but assembled elsewhere.

While the incentive framework is prudent, Clean Energy Canada recommends the IESO consider how changes to supply chains would be accounted for between the time of bid submission and the Commercial Operation Date. Because supply chains are highly dynamic, it is possible that a proponent who qualified for the domestic content incentive in the evaluation process may be unable to fulfill the spending commitment during construction. The IESO should provide clarity within the LT2 Window 2 RFP as to how such a situation would be handled.

Maintaining a technology-agnostic approach:

In response to stakeholder feedback [released on August 14](#), the IESO noted that there was no intention to establish separate procurement targets by technology type in the LT2 Window 2 energy or capacity streams. However, in the most recent stakeholder engagement session on August 20, the potential for separate targets for storage and non-storage technologies in the capacity stream was listed as an open policy item.

Clean Energy Canada recommends the IESO maintain a technology-agnostic capacity procurement target for LT2 Window 2, ensuring that the most cost-effective resources can be secured to keep electricity affordable for Ontarians. While the IESO's [technical paper on Effective Load Carrying Capacity](#), referenced

by other stakeholders, highlights that the value of storage resources can diminish with increased saturation, the paper also warns that exact capacity values are highly situational and depend on specific system conditions at a given time. Procurement requirements for LT2 were already informed by resource adequacy needs identified through the Annual Planning Outlook—in fact, the IESO increased the required duration of capacity resources from 4 to 8 hours to ensure that resources added to the system could provide maximal value—and there is no evidence to suggest that system conditions have changed substantially enough since the launch of LT2 to warrant a change in approach.

Accurate evaluation of natural gas proposals:

Natural gas facilities are increasingly facing [long and uncertain delivery timelines](#) when it comes to procuring turbines needed to power their projects, with backlogs continuing to increase. GE Vernova, Siemens Energy, and Mitsubishi Heavy Industries—the three major gas turbine OEMs—have all reported [record backlogs](#) out to the 2029-2030 year. On average, the lead time for turbine delivery [was 5 years](#) for orders placed in 2025, with timelines [up to 7 years](#) in some cases. Despite OEMs' planned manufacturing capacity expansions, [Wood Mackenzie projects](#) that timeline delays will continue to limit opportunities for generation capacity additions until at least 2030.

Smaller turbines offer an alternative to typical combined cycle gas turbines even though they are [less efficient and cost more](#) than the latter. However, even other types of turbines are now seeing delays as well, with timelines increasing to [1.5-3 years](#) for delivery. Caterpillar, for example, is a leading manufacturer of reciprocating engine turbines and is facing [record backlogs](#) with orders being placed [out to 2030](#). These delays mean that gas projects may not be able to meet quickly growing demand needs on schedule: in Ohio, for example, a gas plant may be forced to postpone operations by [at least two years](#) due to delays in securing a GE Vernova turbine.

In response to the risk of turbine delivery delay, the IESO included a provision in the LT2 Window 1 capacity stream [RFP](#) which allowed for contract dates to be automatically amended in cases where natural gas turbine delivery was delayed for a proponent's facility due to supply chain constraints. While the IESO is right to consider delivery risks, this provision shifts the risk from the proponent to Ontario ratepayers. As a result, bid prices for natural gas projects may be artificially lower and thus impossible to accurately compare with other technologies that are not offered this same risk mitigation provision. Beyond pricing inaccuracies, there is also the risk that gas projects not built on time lead to genuine reliability issues for Ontario's system.

For this reason, Clean Energy Canada recommends that for Window 2 the IESO should either remove this provision entirely and encourage proponents to factor risks into their bid prices or include a consideration of deliverability risks in their evaluation of projects. For example, a given bid price could be increased by a certain percentage as a risk premium if the project may be delayed due to late turbine delivery. This approach will allow for delivery risks to be considered while ensuring that proponent submissions can be compared across technology types.