Feedback Form

Long-Term 2 RFP – August 20, 2026

Feedback Provided by:

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Date: September 4, 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 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:

Energy Storage Canada supports a repowering pathway that allows existing facilities to modernize while maintaining a fair and predictable process for all participants. For storage resources, upgrades often involve modular component replacement, duration expansion, or control-system improvements rather than full physical redevelopment. The commercial-operation requirement should therefore reflect how storage technology evolves and avoids assumptions based on generation-type refurbishment.

ESC recommends that the IESO:

- Ensure Independent Engineer certification criteria are tailored to storage, recognizing that upgrades may be incremental rather than structural;
- Provide clear guidance on what evidence is required to demonstrate long-term operability for repowered storage facilities;
- Confirm that repowering does not trigger unnecessary re-permitting or municipal engagement requirements when the facility footprint and environmental profile remain unchanged; and
- Maintain a consistent, transparent process so proponents understand expectations well before contract execution.

A certification framework that reflects the operational realities of storage will support investment certainty and ensure repowered facilities contribute reliably throughout the contract term.

- Repowering: Competition Mechanics:

ESC supports a competitive structure that ensures repowering complements, rather than displaces, cost-effective new-build development. The use of a repowering cap and a price threshold tied to the marginal new-build proposal is a reasonable approach, provided the methodology is transparent and applied consistently across technologies.

ESC recommends that the IESO:

- Publish the basis for determining the repowering cap, including how outages from storage facilities are assessed relative to generation;
- Ensure repowering does not consume disproportionate volume in areas where new storage could provide greater system value, particularly in transmission-constrained zones;
- Clarify how repowering interacts with locational incentives once those criteria are finalized; and
- Confirm that repowering proposals do not receive implicit deliverability advantages unless nameplate capacity remains unchanged.

A well-designed competition framework will allow repowering to proceed where it is cost-effective while preserving opportunities for new storage projects that can address emerging system needs.

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

Do you have feedback the IESO should consider when determining whether to release price curves for LT2 Window 1?

ESC supports transparency that helps proponents understand procurement dynamics, provided it does not compromise commercially sensitive information. Many projects that were not selected in Window 1 remain active candidates for future windows, and any disclosure must avoid revealing details that could be linked back to individual proponents.

ESC recommends that the IESO take a measured approach by releasing only anonymized, aggregated pricing information that illustrates overall trends without exposing project-specific attributes. High-level price curves can help developers calibrate future bids and understand market conditions, but only if they are structured so that no proposal can be identified through size, location, technology type, or other characteristics.

To balance insight with commercial protection, ESC encourages the IESO to:

- Publish pricing information only in formats that fully anonymize proponents;
- Avoid releasing any data that could imply project location, configuration, or developer identity;
- Ensure aggregated information cannot be reverse-engineered; and
- Clearly communicate the purpose and limits of the disclosure.

A carefully designed transparency approach will support stronger future participation while safeguarding the development work already undertaken by proponents.

General Comments/Feedback

Do you have additional feedback to share with the IESO?

ESC appreciates the IESO's continued engagement on LT2 design and offers comments focused on matters that directly affect Ontario's storage sector. Predictability across procurement sequencing, connection-cost certainty, and rated criteria remains essential. Greater clarity in these areas will help storage proponents plan effectively and deliver cost-efficient, reliable resources that support Ontario's long-term system needs.

Transparency in Capacity Stream Review

ESC encourages the IESO to provide greater transparency around its ongoing review of the LT2 capacity stream and the attributes it intends to prioritize in future procurements. The IESO has indicated that it is examining whether the outcomes of the most recently completed LT2 capacity procurement delivered the reliability characteristics the system requires, including how storage contributed to meeting those needs.

As the IESO considers options such as bifurcated procurement structures, updated ELCC methodologies, or hybrid configurations that pair storage with complementary resource types, clarity on the underlying objectives will be essential. Clear evaluation criteria will help proponents understand how different resource attributes will be assessed in future capacity procurements. Ontario's storage sector can support more than capacity alone, and a clear articulation of the desired attributes will help ensure that future procurements are designed to capture the full value that storage and other DERs can provide.

Reliability Attributes and Technology-Neutral Design

The capacity stream should reflect the operational characteristics and reliability value of storage. Fast response, modular deployment, grid-forming and blackstart capability, and siting flexibility are core attributes of storage resources, and these should be incorporated transparently into how capacity needs are defined and evaluated.

As the IESO considers whether to differentiate between storage and gas or move away from the technology-neutral approach used in Window 1, ESC encourages the IESO to clearly define the reliability attributes the system requires, such as duration, availability, dispatchability, and locational value, and allow any technology capable of providing those attributes to compete. Establishing attribute-based criteria will help ensure that future procurement design is grounded in system need rather than technology-specific treatment without a clear rationale. This principle is particularly important given that Window 1 outcomes demonstrated the ability of storage resources to meet the IESO's stated capacity requirements.

Deliverability, Long-Term Value, and Project Delivery

Deliverability and Locational Guidance

A central issue for storage developers remains deliverability. Updated guidance is needed as early as possible, and distribution-connected storage should be assessed using charging assumptions that align with the IESO's own methodology. Clearer locational signals would also help proponents identify where storage can provide the greatest system benefit, from relieving congestion to supporting grid stability and deferring transmission upgrades.

The LT2 project evaluation and selection process should also account for expected time to commercial operation and the reliability of project delivery, ensuring that contracted capacity can be relied upon to come online on schedule and meet system needs when required.

Long-Term Value and System Decarbonization

The evaluation framework should also consider how the long-term value of contracted resources is assessed over the contract term, taking into account the system's ongoing decarbonization trajectory. Ensuring that assets selected today remain sound, cost-effective, and consistent with that trajectory will help protect ratepayers and preserve the value of the contracted portfolio.

Domestic Content and Canadian Value Creation

ESC continues to support domestic content provisions that are flexible and disclosure-based. Storage supply chains are global and rapidly evolving, and domestic content rules should recognize Canadian value creation across integration, EPC services, engineering, controls and software, and emerging upstream manufacturing.

At the same time, domestic content provisions should avoid rigid thresholds that could limit project viability. A transparent, disclosure-driven approach will allow the IESO and government to track Canadian content growth over time without constraining access to the technologies needed to meet Ontario's reliability needs.

ESC appreciates the opportunity to provide feedback and looks forward to continued collaboration with the IESO as LT2 design progresses and future engagement sessions are launched.