Stakeholder Feedback and IESO Response

Long-Term 2 RFP – Window 2

Following the August 20, 2026, LT2 RFP stakeholder engagement webinar, the Independent Electricity System Operator (IESO) invited stakeholders to provide feedback on repowering requirements for commercial operation and competition mechanics, asked whether proponents are considering developing projects on Federal Lands, and sought to understand preferences for LT2 Window 1 price disclosure. The IESO is currently in the design stage of the LT2 Window 2 RFPs. Feedback is posted on the Long-Term RFP engagement webpage. Please reference the feedback forms for specific feedback as the information below is provided in summary.

Note on Feedback Summary and IESO Response

The IESO appreciates the feedback received from stakeholders and communities. The tables set out below respond to the feedback received and are organized by topic.

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Repowering: Requirement for Commercial Operation

Stakeholders generally supported requiring repowered facilities to demonstrate that the proposed investment and refurbishment will enable reliable operation through the contract term, though others identified the difficulties in certifying design life two decades forward. Feedback focused primarily on clarifying what constitutes qualifying repowering and how compliance with the commercial operation requirement will be demonstrated. Stakeholders noted that under a technology agnostic approach, with projects across the province, it may be challenging to apply a single definition that addresses all scenarios.

Feedback / Common Themes	IESO Response
Upgrade vs. Redevelopment Several stakeholders requested clearer definitions of an Upgrade versus a Redevelopment, what types and extent of work qualify as repowering, and whether these classifications will receive different treatment under the procurement or deliverability process.	The IESO has defined Upgrade and Redevelopment and groups them as a Repowering Project, to differentiate them from New Build Projects. The IESO does not plan to specify which types and extent of work would qualify as a Repowered Facility and will instead rely on Independent Engineer certification, completion and performance security, and contractual non-performance penalties to help ensure Repower projects can be treated equivalent to New Build projects. This is a similar approach to how the IESO evaluates New Build projects' ability to comply with contractual obligations for the term of the contract. All Repowering Projects (i.e. Redevelopments and Upgrades) will be treated similarly except for; Repowering Projects that increase their nameplate capacity relative to the nameplate capacity of the previously existing facility. These Repowering Projects will be subject to deliverability testing whereas Repowering Projects that do not increase their nameplate capacity will not be subject to deliverability testing and be deemed deliverable. The IESO is considering whether Repowering Projects may be subject to increased Performance Security amounts and post COD

	performance reviews to support operations throughout the Commitment Period.
Eligibility and timing Stakeholders sought clarification on how eligibility requirements apply to facilities with existing contracts expiring near the Window 2 award date, including requests for worked examples to help proponents determine eligibility before investing in proposals.	Any resource that meets the age requirements (minimum 23 years since the resource's original COD), OR whose MT Contract expires no earlier than the third (3rd) anniversary of the "Term Commencement Date" under the MT Contract and no later than May 1, 2032, will satisfy this aspect of the eligibility requirements for Repowering Proposals.
Independent Engineer certification: Stakeholders requested clearer and more objective guidance regarding the scope of work and evidence required for an Independent Engineer to certify that a facility can operate through the contract term. Some stakeholders noted that qualifying repowering work may differ by technology. Concerns about certification included the subjectivity of the current standard and the commercial consequences if certification cannot ultimately be obtained.	The IESO appreciates the feedback and is seeking additional feedback about how a combination of an independent engineering sign off or other deliverable and performance security could be used to derisk Repowered projects. The IESO also recognizes feedback regarding the difficulties in certifying design life two decades forward and encourages proponents to consider this issue with their advisors. The IESO is further considering the substance of the Independent Engineer certification to better reflect the intent of the requirement, namely, that a Repowering Project is equivalent to a New-Build project in that it would have an expected useful life of at least 20 years at commercial operation. It is the IESO's expectation that a major capital investment would be made at the existing facility prior to the LT Contract commercial operation date, and that such investment is necessary and vital to the operation of the resource for the next 20+ years. Where a facility owner is able to and/or hopes to continue operating an existing resource with lower to minimal levels of capital investments for a shorter period of time than 20 years, the IESO views the MT procurements as more suitable.

Repowering: Competition Mechanics

Feedback on competition mechanics was varied and focused on how repowering proposals will compete against new-build proposals, how procurement volumes will be allocated, and how repowering projects will be treated for deliverability purposes.

Feedback / Common Themes	IESO Response
Like-for-Like Competition Some stakeholders questioned whether Repowering and New Build proposals compete on equivalent terms given differences in existing sites, connections, and infrastructure, as well as differences in resource characteristics. Some stakeholders supported using the New Build competition to establish the price benchmark for Repowering proposals (the Repowering Cap).	The IESO recognizes that Repowered and New Build resources may have different competitive advantages and constraints. However, both resource types are competing to provide the same services required to meet system needs, and the IESO's objective is to procure those services as cost-effectively as possible. The competition framework allows Repowered and New Build resources to compete on price while applying separate procurement targets and caps. Repowered resources' Evaluated Proposal Price must be lower than the marginal New Build proposal required to meet the New-Build Target Energy Cap. Incremental capacity from Repowered resources may contribute toward the New Build Target Energy Cap, creating opportunities for both resource types within the same procurement. This approach helps ensure cost-effective procurement outcomes and will inform future assessments of system needs and procurement targets.
Deliverability and Incremental Capacity Stakeholders requested clarification regarding how deliverability will be assessed where repowering increases Nameplate Capacity, including whether the Deliverability Test applies to the incremental capacity or the entire facility. Stakeholders also sought clarification regarding	Existing Nameplate Capacity at a Repowered facility is considered deliverable and is not subject to additional deliverability testing. Proponents are encouraged to include at least one proposal variant at or below existing

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how incremental capacity would be treated for procurement purposes.	Nameplate Capacity to ensure a deliverable option is available. Any increase in Nameplate Capacity is subject to deliverability testing for the incremental capacity only. For example, a facility increasing from 100 MW to 125 MW would be assessed on the additional 25 MW. Repowered resources that are not currently under an IESO contract will also be subject to deliverability testing on the same, incremental Nameplate Capacity, basis.
Targets and Repowering Cap Stakeholders requested additional information regarding the Repowering Cap, its methodology, and how it interacts with the New Build Target and overall procurement volumes. Some stakeholders suggested allowing competitive New Build projects to fill unused repowering volume.	The primary purpose of the Repowering Cap is to limit the amount of existing generation that may be simultaneously unavailable while repowering activities are being completed, thereby mitigating potential near-term reliability impacts. A shortfall relative to the Repowering Cap does not necessarily indicate a need for additional New Build procurement. Existing facilities may have other opportunities to secure future contracts, including through other procurement mechanisms. Should future procurements indicate that there are structural barriers preventing economically viable repowering projects from proceeding, the IESO may consider alternative approaches. The IESO also reserves the right to award contracts above stated procurement targets or caps, in accordance with the procurement rules and applicable rights.
Indigenous participation in repowered projects:	Rated Criteria incentives will be offered for Indigenous Participation in Repowering

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Some stakeholders suggested that Indigenous participation expectations should apply to Repowering Projects in the same manner as New Build Projects, particularly where facilities are located on Treaty lands. Other stakeholders expressed concern about being required to establish new ownership, financial, or O&M arrangements at existing facilities.	Proposals on the same terms as New Build Proposals.

Federally Managed Land

Most proponents did not identify an immediate intention to site projects on Federal Crown land or provided no substantive comment. Where broader feedback was provided, it focused on clarity regarding any future expansion of public-land eligibility/frameworks and recognition of Indigenous Treaty rights and interests associated with lands described as Crown land.

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Changes to Public Land Eligibility and Framework Stakeholders requested early clarity if the IESO is considering extending or adapting the existing provincial public-land framework to federal lands, noting that federal land tenure, approvals and consultation processes operate under different authorities and timelines. Proponents indicated the need for sufficient advance notice of the applicable framework to determine whether projects involving federal lands could realistically participate in Window 2. It was also noted that the feasibility of developing on federal Crown land would depend on the eventual framework and interconnection guidance.	The IESO is seeking to better understand the needs and intentions of the development community as it relates to public lands to inform design decisions and acknowledges the need for advance notice of eligibility requirements. The IESO will continue to engage with stakeholders and communities on this item.
Recognition of Treaty Rights and Treaty Lands: Some feedback challenged the use of terms such as "Crown land" and "public land" where those lands are also subject to Treaty rights, noting that these terms describe the	The IESO acknowledges this feedback regarding the descriptions of lands from an Indigenous Community perspective and will consider this and other related issues as it continues to engage with Indigenous Communities during the

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government's administrative interest but do not fully describe the Indigenous relationship to the land, nor treaty rights which predate the concept of Crown Lands. The feedback recommended identifying applicable Treaty lands in procurement and community-facing materials, including Treaty information alongside land-tenure fields in Prescribed Forms, while retaining statutory or defined Crown-land terminology where legally necessary.	development of the LT2 Window 2 RFPs and Contracts.
Indigenous Interests in Federal Land Processes: Feedback also noted that federal lands may be adjacent to or subject to Indigenous interests and recommended that any new federal-land participation framework be developed with those considerations in mind. This reinforces the broader request that expanding land eligibility should be accompanied by clear expectations regarding Indigenous rights, interests and engagement rather than treated solely as a land-tenure question.	The IESO appreciates this feedback and acknowledges the interconnection between federally managed lands and Indigenous interests and treaty rights on those lands, where applicable. The IESO continues to consult with parties in different levels of government on this topic.

Disclosure of Additional Pricing Information for Window 1

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Price Curves There was broad support for releasing additional pricing information from Window 1, provided the information is sufficiently anonymized to protect commercially sensitive information and prevent individual proposals or proponents from being identified. Stakeholders generally viewed greater disclosure as a way to improve price discovery, support better-calibrated Window 2 bids, strengthen	The IESO acknowledges broad support for greater transparency in pricing and would not reveal commercially sensitive information or identify specific proposals in any potential future proposal price disclosure. The IESO continues to consider this suggestion; should the IESO choose to release more pricing

competition, and provide greater transparency regarding procurement outcomes. A minority advocated disclosure of individual bid prices and imputed energy, arguing that information available about successful bids and unsuccessful bids should be made available.	information, details will be communicated at a future engagement session.

General Comments

Stakeholders provided a range of additional feedback, including feedback on commercial risk allocation, deliverability and locational certainty, capacity procurement design, domestic content, land-use rules, procurement administration, and Indigenous/community participation. A recurring concern was that unresolved design or system information at the time of bidding may increase development risk, financing costs and bid prices. Areas of greater divergence included how reliability should be valued across gas and storage, whether capacity procurement should remain technology-neutral, and how Prime Agricultural Area restrictions should be treated. Specific feedback is summarized below.

Procurement Design and Implementation Comments

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Engagement Timelines Indigenous feedback noted that relatively short engagement windows can be challenging where matters must be considered by Chief and Council and, in some circumstances, community membership. Longer feedback periods or standing opportunities to provide input were suggested as ways to support more meaningful participation in procurement design.	The IESO acknowledges this feedback and remains committed to engaging with rights holders to ensure timely, meaningful feedback is considered, while balancing procurement timing to meet growing reliability needs. The intended purpose of the current engagement schedule is to ensure any revisions to the most recent versions of the RFP and contract documents are incorporated prior to the following engagement webinar. Beyond formal written feedback, opportunities for direct feedback exist through focused Indigenous webinars, and discussions with IESO representatives.

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Procurement Timeline Stakeholders requested greater consideration of the time between proposal submission and contract award, noting that proponents may need to hold equipment reservations, EPC arrangements, land agreements, financing assumptions and pricing for an extended period. Feedback suggested that reducing this interval, where practicable, could reduce development costs and contingencies incorporated into bids.	The IESO endeavours to complete proposal evaluations as expeditiously as possible and remains open to suggestions for future improvement in this regard. Given the suite of procedures required to ensure a rigorous and impartial evaluation and high expected proposal volume, the IESO does not anticipate being able to reduce the Period of Irrevocability for LT2 Window 2.
Registration and Submission Mechanics Stakeholders requested practical flexibility around registration and proposal submission, particularly where project-specific SPVs may not be finalized until late in bid preparation. Feedback also supported development of an online submission portal but emphasized that it should be available for testing well before the deadline and supported by a clearly documented fallback process.	A change in the identity (or legal name) of the registered Proponent is not permitted after the registration deadline (RFP s. 3.4(a)). The legal name of the Proponent provided at registration must reflect the entity that will ultimately be the Proponent in a submitted Proposal and, if selected, the contracting counterparty under the LT2 Contract. The IESO considers the development of an online submission portal to be a high priority and intends to engage on that topic in the near future. The IESO also plans to develop fulsome training materials and provide opportunities for testing and on-boarding as soon as possible so proponents can familiarize themselves with the tool before the next LT-2 submission window opens. In the event the proposal submission tool and all associated training and testing cannot be completed in advance of LT2 Window 2, the IESO will follow the same proposal submission process as was used for LT2 Window 1 and stakeholders would be provided sufficient notice ahead of registration and proposal submission of this intent.

Feedback / Common Themes	IESO Response
Co-Located and Linked Proposals Feedback included a proposal to allow linked energy and capacity bids for co-located generation and storage projects, enabling shared interconnection, land, civil and balance-of-plant costs to be reflected in proposal pricing. This was a specific proposal rather than a broadly expressed stakeholder position.	The IESO supports the innovation of Ontario's electricity grid and points stakeholders to the activities of the "Enabling Resources Program", particularly the Hybrid Resources stream which is addressing technical and structural implementation issues required to enable hybrid resources to effectively participate in the IESO administered markets and procurements. Linked proposals will not be considered for Window 2 of the LT2 RFPs.
Debriefing and Procurement Feedback Some stakeholders requested to maintain meaningful debriefing opportunities for unsuccessful proponents, including projects that fail deliverability or are displaced by procurement targets or caps. Stakeholders viewed feedback on unsuccessful proposals as valuable for improving subsequent bids and future procurement efficiency.	The IESO remains committed to providing meaningful feedback to proponents about their proposals and endeavours to provide sufficient information to ensure proponents can correct any deficiencies with their proposals in subsequent procurements. Regarding deliverability testing, the IESO believes that a deliverability consultation, following the release of updated deliverability guidance (reflecting the results of the most recent procurement) is the most constructive way to provide useful, forward-looking information for projects that were deemed not deliverable in a past procurement. Regarding procurement targets being met, the IESO has removed this as an eligible reason for requesting a debrief as there is no additional information to share with the unsuccessful proponent as to deficiencies with their proposal.
Contract Length Some stakeholders advocated extending new-build renewable contract terms from 20 to 30 years, arguing that modern renewable assets can operate for approximately that period and that longer terms could allow capital and financing costs to be recovered over a longer	The Ministerial Directive regarding the LT2 procurements prescribes 20-year contracts.

Feedback / Common Themes	IESO Response
period, potentially reducing submitted prices and merchant-tail risk.	
Capacity Procurement Structure and Reliability Value Stakeholders expressed contrasting views on how the capacity procurement should recognize differences in reliability value across resource types. Some supported separate storage and non-storage, or gas-specific, procurement targets, arguing that direct competition based primarily on nameplate capacity and price may not adequately reflect differences in duration, dispatchability, energy limitations and sustained reliability contribution. Others favoured maintaining technology-neutral competition, with clearly defined reliability requirements or ELCC-based capacity accreditation used to recognize differences in system value. Feedback also cautioned that declining storage ELCC should not, by itself, justify separate technology streams without a clearly demonstrated reliability need.	The IESO is considering this feedback and aims to provide clarity to prospective proponents as soon as possible.

Land Types, Ownership and Support

Deliverability, Locational Guidance and System-Value Signals Stakeholders emphasized that deliverability guidance and locational criteria need to be provided earlier, with greater detail, and considered together. Respondents noted that these signals directly influence site selection, land commitments, Indigenous and municipal engagement, interconnection planning and development investment. Feedback cautioned against encouraging development through locational rated criteria in areas that may ultimately lack a realistic connection pathway and generally supported aligning locational incentives with demonstrated system needs, transmission availability, planned system improvements and opportunities to defer transmission investment. Stakeholders also requested more granular information on transmission constraints, eligible circuits and areas, with one respondent specifically recommending GIS-compatible data to support project siting and interconnection analysis. A minority view cautioned that expanding locational rated criteria could disadvantage otherwise competitive projects and recommended retaining a narrower focus on Northern Ontario.	IESO acknowledges the desire for information on deliverability to be provided as soon as possible. The LT2 Window 2 Connection Guidance document is now published t. The IESO is also aiming to provide enhanced maps that complement the guidance document soon after. IESO staff are available to conduct deliverability consultations for site-specific questions, including the applicability of locational rated criteria and deliverability considerations. With respect to Locational and NWA Rated Criteria, the IESO is seeking to utilize the criteria to help guide proposals towards areas in the province where larger amounts of connection capacity is available, and where the siting of certain types of projects will help meet a NWA need identified in an IESO Bulk or Regional Plan. The IESO believes this use of rated criteria is a prudent approach to ensuring procurement targets can be met in the manner that most cost-effectively serves identified system needs.
Prime Agricultural Areas and Agrivoltaics Stakeholder views were divided on the treatment of Non-Rooftop Solar development in Prime Agricultural Areas. Some recommended removing or relaxing the existing restrictions and relying more heavily on municipal decision-making through the Municipal Support Resolution process, including allowing dual-use agrivoltaic projects where agricultural production and electricity generation can coexist. Others supported maintaining the existing restrictions, particularly given development decisions and	The IESO has not proposed any changes to the rules concerning New Build projects in Prime Agricultural Areas or Specialty Crop Areas. Rules for Repowering Projects that already exist in Prime Agricultural Areas remain under consideration. The IESO continues to consider the concept of agrivoltaics with relevant government ministries. However, at this time, no change in policy has been made. The IESO will communicate any change in government policy on these items in a timely manner.

investments already made under the current rules. Stakeholders supporting agrivoltaics also emphasized the need for early policy clarity, as these projects have different design, land agreement and capital requirements than conventional ground-mount solar and require sufficient development lead time.	
Recognition of Indigenous Ownership, Control and Meaningful Participation Indigenous feedback recommended that procurement evaluation distinguish between meeting a minimum economic ownership threshold and more substantive forms of Indigenous participation. Participants noted that projects with materially different ownership, governance and control arrangements could otherwise receive equivalent recognition. Suggested considerations included ownership above the minimum threshold, governance and decision-making authority, managing-partner roles, self-funded equity, and participation in project operations or asset management. Feedback therefore supported a graduated or tiered approach that recognizes both higher levels of Indigenous ownership and the substance of Indigenous control, responsibility and participation, rather than relying solely on a minimum ownership percentage.	The IESO continues to follow the Ministerial Directive issued November 28, 2024, which requires the consideration of appropriate incentives to recognize Proponents who have and retain certain levels of economic participation in the Project by an Indigenous Community or Communities.

Deliverability and Transmission Risks

Stakeholders identified some risks and concerns including costs for transmission connections, day ahead pricing protections and deliverability risks for certain technologies. Some stakeholders also advocated for greater recognition of smaller distribution-connected generation and behind-the-meter resources, including CHP, on the basis that these resources may provide capacity with shorter development timelines, reduced transmission requirements and other locational benefits

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Transmission Connection Cost Risk Stakeholders asserted that transmission connection costs represent a material risk that proponents cannot control or reliably quantify at the proposal stage. They noted that the underlying uncertainty has not materially changed since Window 1 and that, without an appropriate risk-sharing mechanism, proponents may incorporate larger contingencies into bid prices, potentially increasing ratepayer costs, reducing participation or contributing to project attrition. Stakeholders generally requested that the IESO retain the existing connection-cost protection or introduce an alternative providing comparable risk mitigation, including improved pre-bid cost certainty, cost sharing or a penalty-free termination option where connection costs materially exceed expectations.	The IESO recognizes the importance of this issue and is working with the Ministry of Energy and Mines, the Ontario Energy Board, and Hydro One to address it. More information will be provided as soon as possible.
Gas Reliability vs. Delivery Risk: Some stakeholders emphasized the sustained and dispatchable reliability attributes of gas generation, while contrasting feedback highlighted extended turbine and reciprocating-engine procurement timelines as a potential project-delivery and reliability risk. Concern was also raised that providing gas projects with specific contractual relief for turbine delivery delays could shift delivery risk to ratepayers and affect comparability with technologies that do not receive equivalent protection. Feedback	The IESO appreciates that there are constraints on turbine manufacturing and readiness with long manufacturing and delivery lead times being common worldwide. As such, the IESO deemed it appropriate to provide limited relief for this risk as set out in the LT2 Contract. The IESO does not intend to change this provision at this time.

Feedback / Common Themes	IESO Response
recommended either leaving proponents to price this risk or explicitly incorporating delivery risk into proposal evaluation.	
DARTA Protection Stakeholders generally supported retaining DARTA but expressed significant concern with reducing protection from 85% to 60%. Respondents argued that DA-to-RT differences remain substantially influenced by forecasting, weather and system conditions outside proponents' control, and that increasing proponents' exposure could reduce financeability, increase financing costs and cause additional risk premiums to be incorporated into bid prices. A minority view considered the reduction to 60% reasonable.	The IESO appreciates the feedback. Analysis indicates that the level of DA-to-RT risks to resources remains low, and the IESO intends to lower the DARTA protection level as reflected in the current drafts of the LT2(e-2) RFP and Contract.

Domestic Content and Canadian Economic Value

Stakeholders generally supported strengthening Canadian and Ontario supply chains and increasing domestic economic benefits but emphasized that requirements should reflect the differing maturity of domestic supply chains across technologies and remain commercially achievable as those supply chains evolve. Feedback favoured a broad definition of Canadian economic value that recognizes not only domestically manufactured equipment, but also Canadian contributions through engineering, integration, EPC services, controls, software, operating inputs and other lifecycle expenditures. Stakeholders generally supported flexible, transparent approaches, including incentives and disclosure requirements, rather than requirements that could unnecessarily increase costs, constrain competition or create delivery risk. Some also requested flexibility for changes required between bid submission and construction for reasons outside a proponent's control.

Feedback / Common Themes	IESO Response
Qualifying Canadian Content Some stakeholders called for more broad definitions of Canadian content. "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." And "Criteria that focus solely on the capital costs don't fully capture a projects full economic footprint." Additional feedback suggested that Canadian Content Requirements (CCR) and Liquidated Damages should provide meaningful compensation for the impact of a capacity shortfall and should therefore either remain uncapped or be established on a $/MW basis, rather than being subject to a fixed aggregate cap.	The Canadian content provisions and definitions currently contained in the posted draft LT2(e-2) and LT2(c-2) RFPs and Contracts are those from the Long Lead-Time RFP and the final versions of any such RFP or Contract provisions remain under ongoing consideration and policy development with the Government of Ontario. The IESO will consider and share all feedback on this topic with the Government in support of this discussion and will share any new policy and corresponding RFP and contract drafting as soon as possible.
Tariff and Trade-Policy Risk Stakeholders generally supported retaining protection for material tariff changes occurring after proposal submission and noted that proponents cannot fully price future trade-policy changes when submitting bids. Feedback included requests to consider broader coverage of tariffs, counter-tariffs, surtaxes and country-of-origin changes, as well as mechanisms such as thresholds, shared exposure or financial realignment to avoid proponents pricing large contingencies into bids.	The IESO appreciates that tariff and trade issues are unpredictable and intends to maintain the "Adjustment for Post-Proposal Applicable Tariffs" clause in the contract. The IESO believes the adjustment policy reasonably protects suppliers from future tariff risks.