# Feedback Form

## Long-Term 2 RFP (Window 2) – October 14, 2026

### Feedback Provided by:

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Email: [redacted]

Date: October 30, 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 October 14th, Long-Term 2 RFP Window 2 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 October 30, 2026.**

Dear Sir/Madam,

Thank you for the opportunity to submit written feedback regarding the Long Term 2 window 2 procurement design. The feedback follows.

## Rated Criteria

### Locational Criteria

- Do you have feedback on the proposed locational scoring framework, including the treatment of different zones, technology types, and repowering projects?

The IESO's draft RFP for window 2 excludes projects in the Ottawa electrical zone from the proposed 2 points for the location rated criterion.[1]

This may be an error, as siting energy resources close to population centres can offer clear benefits such as a reduced future need for new transmission, reduced future need for transmission upgrades, and greater resilience to extreme weather and other potential disruptions. Ottawa is highly dependent on electricity imports from distant sources, as only about 6% of Ottawa's electricity is generated in Ottawa.

In light of the benefits of local resources, we request reconsideration of the proposal not to award location points to Ottawa projects.

### Non-Wires Alternatives (NWA)

- Do you have feedback on the proposed NWA opportunities, including eligibility, scoring, and the approach to assigning points?

The new point for Non-Wires solutions incentivizes adding resources in locations that reduce pressure for system upgrades. We support this objective because it can reduce costs for ratepayers. We would like to see IESO go further toward this objective by detailing adders for additional circuits and creating adders for virtual power plants close to load.

[1] October 9, 2026 version of the draft LT2(e-2) RFP, section 4.3(c) (p.38) https://www.ieso.ca/-/media/Files/IESO/Document-Library/long-term-rfp/energy/LT2-e-2-RFP-20261009-draft.pdf

- The Eligibility Requirements of the draft RFPs (section 2.1) do not clearly indicate whether Virtual Power Plants are eligible for participation in LT2. Can the IESO clarify whether competition within LT2 extends to aggregated alternatives capable of contributing to system needs? If not, why not? The IESO has chosen to extend eligibility to large repowering projects, why not enable virtual power plants to compete?

The IESO is specifying the technologies that qualify for the non-wires solutions point. This is not a technology-agnostic approach. Is there a rationale for the proposed technology-specific approach? Will the IESO allow non-specified technologies to receive the point for non-wires solutions if they demonstrate they can meet the outlined need? Allowing this would enable innovative approaches and technologies to compete, including hybrid renewable-storage pairs.

In addition to encouraging non-wires solutions in the competition, it is important to recognize the value that community ownership of energy resources can bring to the procurement. Community ownership gives local communities a stake in their energy resources, providing community benefits and helping address community concerns about new energy resources. In a time of energy need, community ownership can reduce permitting risk and delays that can be costly to ratepayers and the Ontario economy. We suggest IESO offer a point in the rated criteria for community ownership.

### Agricultural Land Considerations

- Do you have feedback on the proposed treatment of prime agricultural areas, agrivoltaics, and potential agricultural exemptions?

Please see the General comments section below for this and other feedback.

## LT2(e-2) Contract Design

### Non-Performance Charges (NPCs)

- Do you have feedback on the proposed NPC changes, including technology-specific thresholds and the treatment of monthly production factors?

No feedback on this item.

## Evolving Value of Energy Storage

- Do you have feedback on how the evolving reliability and capacity value of energy storage should be reflected in LT2 evaluation, scoring, or procurement design?

The IESO indicates that the value of storage is evolving. We agree that the value of storage changes over time with both the addition of new storage to the electric system and the addition of more renewable energy. The 2025 IESO technical paper on this topic indicates that the addition of renewable energy to the system increases the value of storage capacity although not indefinitely, while an increase in storage capacity works in the opposite direction.[2] What is less clear is whether we have reached the point where the value of additional storage capacity has peaked or not.

Energy storage improves system reliability in multiple ways. Storage can help meet system needs during peak demand and respond rapidly to sudden changes on the grid. Storage can also help meet system needs in constrained areas by being placed strategically, deferring the need for new transmission builds, for example.[3]

We believe there is a need for sufficient time to evaluate how storage's value may be evolving before incorporating conclusions into the LT2 procurement. While there is an engagement underway in the capacity accreditation process, key information on assumptions and methodology has not yet been shared publicly for consideration. We are concerned that final RFP timing for this procurement window is for the first quarter of the new year, which is fast approaching, and this timeframe may not be sufficient for this review to occur and for project proponents to adjust.

If the IESO is considering incorporating substantial changes to capacity accreditation in this LT2 window, we believe it needs a clear, convincing, and transparent justification for such a change this close to the procurement window. We suggest it may make the most sense for the IESO to wait until window 3 of LT2 so there is sufficient time to vet the changes and avoid potential delays to the procurement process.

[2] IESO Resource & Plan Assessments Technical Paper: Effective Load Carrying Capacity of Energy Storage, Aug. 2025, section 1.1.3 (p.4) https://ieso.ca/-/media/Files/IESO/Document-Library/Technical-papers/ELCC-of-Energy-Storage-in-Ontario.pdf

[3] *Utility Dive,* Four Non-Transmission Solutions for Clean Energy…, (June 21, 2023) https://www.utilitydive.com/news/transmission-clean-energy-storage-grid-enhancing-technology-dlr-distributed-resources/651567/

## Repowering

- Do you have feedback on the proposed Independent Engineer certification requirements?
- Do you have feedback on the proposed treatment of repowering projects within LT2 competition and evaluation processes?

The definition of an "Eligible Existing Facility" in the draft RFP allows projects with an existing medium-term contract or that achieved commercial operation before May 1, 2009 to qualify for repowering.[4]

The May 1, 2009 cutoff in the draft excludes repowering of existing renewable energy projects that are coming off FIT contracts between now and the 2032 commercial operation milestone for the LT2 window 2. This is because the May 1, 2009 deadline for commercial operation predates the FIT program by 5 months.

Over 4 gigawatts (GW) of FIT projects are operating in Ontario today, and repowering them would bring significant benefits. Repowering can extend the life of these projects as they come off contract and help meet rising electricity demand. Repowering these projects can leverage existing siting, project infrastructure, and interconnection points, likely resulting in lower bid prices than new projects of the same type, saving ratepayers money. Repowering would modernize these projects, increasing their capacity factors, production, and reliability contributions to the system.

Given these important benefits to ratepayers and the system, IESO should allow projects with expiring FIT contracts to bid into the repowering stream. Not enabling the economic repowering of these projects risks tilting competition away from clean energy technology toward fossil fuel generation and losing these assets over time.

## Regulation Service Readiness

- Do you have feedback on the proposal to require regulation-service readiness for LT2 projects?
- Do you have feedback on the proposed technical requirements and any associated cost, schedule, or implementation impacts?

No feedback on this item.

[4] October 9, 2026 version of the draft LT2(e-2) RFP, Appendix A (p.58), https://www.ieso.ca/-/media/Files/IESO/Document-Library/long-term-rfp/energy/LT2-e-2-RFP-20261009-draft.pdf

October 9, 2026 version of the draft LT2(c-2) RFP, Appendix A (p.59) https://www.ieso.ca/-/media/Files/IESO/Document-Library/long-term-rfp/capacity/LT2-c-2-RFP-20261009-draft.pdf

## Deliverability and System Performance

- Do you have feedback on the proposed deliverability methodology, including regional congestion assumptions and transparency of information available to proponents?
- Do you have feedback on the proposed treatment of short-circuit strength, minimum system strength requirements, and emerging technologies such as grid-forming inverter-based resources?
- Do you have feedback on the proposed circuit availability maps and any additional information that would support project siting and proposal development?

No feedback on this item.

## General Comments/Feedback

Do you have additional feedback to share with the IESO?

Yes, we are concerned that the IESO's LT2 rules are increasingly tilting the field away from technology-agnostic procurement and toward gas generation. Several provisions point to this: 1) a reimbursement guarantee of 75% of the cost of gas network upgrades gas generators would be responsible for (the "GUCRm"); 2) a lack of early commercial operation incentives for storage projects (the "Early COD Payment Multiplier") that gas plants are eligible to receive; 3) a prohibition only on solar projects on prime agricultural land that does not apply to gas generators; and 4) financial protection for gas generators from greenhouse gas emission restrictions.

**Why is technology neutral an important principle?**

> *Technology-neutrality is an important principle in competitive electricity procurement because it allows resources capable of meeting a defined system need to compete on their merits, rather than having the buyer select a preferred technology in advance. Well-designed technology-neutral procurements can reveal lower-cost solutions, make use of developers' superior knowledge of their project costs, and strengthen competition across technologies. The principle of neutrality does not require procurement design to disregard system reliability, public health, or the environment.*

We support technology-neutral competition with clearly defined reliability requirements and ask that the following competitive issues with the current competition be addressed to deliver a more level playing field.

1. **The reimbursement guarantee for gas network transmission upgrade costs tilts the field toward gas generation.**

Ontario's LT2 rules tilt the competitive playing field toward gas by reimbursing eligible gas generators for 75% of gas-transmission upgrade costs.[5] This shifts a substantial share of eligible gas projects' infrastructure costs and associated financial risk to electricity ratepayers, allowing those generators to bid without pricing in the full cost. This creates three issues: the risk electricity ratepayers take on, fairness to other bidders, and transparency.

**The risk shift -**

Reimbursing for gas-transmission upgrade costs reduces risk for gas plant developers. But this risk doesn't disappear, instead, ratepayers shoulder it. In practice, this can look like an unexpectedly high cost for power generation from gas that the public is contractually obligated to pay.

Our review found that no other independent electric system operator in North America is guaranteeing reimbursement to gas plant developers for gas transmission upgrades they cause. While we understand that the IESO's intent was to mitigate the risk of uncertainty for gas developers to "ensure" a diverse supply mix,[6] we fail to see how transferring this risk to ratepayers is necessary to ensure reliability given that no other system operator in North America appears to be doing it.

**Fairness -**

De-risking gas projects' transmission upgrade costs is a giveaway to gas projects, with no analogous benefit given to clean energy projects. In the IESO's October 9, 2026 draft LT2 Window 2 contracts, clean-energy projects, including hydro, wind, solar, and storage, remain responsible for the electrical connection costs allocated to them and the risk that those costs exceed their assumptions. They are also responsible for the other risks associated with developing a project. Gas plants, by contrast, get a reduction in project risk that no other technology receives.

**Transparency -**

In its August 14, 2025 response to stakeholder questions, the IESO stated that its Fairness Advisor would issue a report on procedural fairness after the procurement concluded.[7] Now that LT2 Window

[5] October 9, 2026 version of the draft LT2(c-2) Contract, section 2.18 (p.51) https://www.ieso.ca/-/media/Files/IESO/Document-Library/long-term-rfp/capacity/LT2-c-2-Contract-20261009-draft.pdf

[6] LT2 RFP Question and Comment Period – Batch 3 (August 14, 2025) https://www.ieso.ca/-/media/Files/IESO/Document-Library/engage/long-term-rfp/lt2-rfp-20250814-Stakeholder-QC-batch-3.pdf

[7] LT2 RFP Question and Comment Period – Batch 3 (August 14, 2025) https://www.ieso.ca/-/media/Files/IESO/Document-Library/engage/long-term-rfp/lt2-rfp-20250814-Stakeholder-QC-batch-3.pdf

1 has concluded, we request that this report be made public. We also ask that the IESO clarify whether the advisor reviewed the substantive implications, e.g., the competitive implications and risks to ratepayers of the gas-transmission cost-sharing mechanism.

It is also unclear whether and how the IESO is considering in the procurement process the financial obligations it is transferring from gas plants to the public. It appears that these financial obligations are not being considered in the evaluated proposal price formula used to rank proposals (section 4.4(d) of the October 9, 2026 RFP). If the IESO compares bid prices without adding expected gas-upgrade reimbursement costs and a risk premium, the lowest-price proposal may not be the lowest-cost option for ratepayers. We ask the IESO to explain how the gas-specific reimbursement obligation for pipeline costs is reflected in proposal evaluation and expected ratepayer costs.

| **Issue** | **Gas project** | **Battery or renewable project** |
|---|---|---|
| **Costs and risk** | 75% of qualifying gas transmission pipeline costs and risk shifted to ratepayers | Bears its own electrical connection costs and risks |
| **Fairness** | Can offer a lower fixed capacity price because part of its risk is covered by atepayers | Must price its own risks into the bid |
| **Transparency** | Headline bid may understate the true cost to ratepayers if ratepayer-funded reimbursements are not fully reflected | Headline bid is more likely to reflect its full cost |

2. **The exclusion of storage projects from early commercial operation incentives that gas plants receive tilts the field toward gas generation.**

Early commercial operation incentives (COD) are designed to reward resources for coming online earlier than anticipated. The commercial operation incentives explicitly exclude storage projects in the October 9, 2026 draft contract.[8] As drafted, an eligible gas plant could receive an enhanced capacity payment for early operation. In contrast, a battery project reaching commercial operation at the same time would not qualify for the multiplier. This appears to tilt the field toward gas plants and away from storage.

We ask that IESO explain why earlier availability is rewarded for non-storage resources but not for storage capable of meeting the same identified capacity need.

The IESO should incentivize earlier commercial operation dates for storage in its contracts. Doing so reflects the time-is-of-the-essence nature of Ontario's electricity needs. Meeting this need promptly matters for both reliability and economic growth.

3. **The prohibition on solar projects in prime agricultural land ignores the low impact of agrivoltaics and does not apply equally to gas generators.**

The IESO's October 9, 2026 draft RFP provides that solar projects cannot be located in prime agricultural areas, a prohibition that does not apply equally to gas plants, which are allowed to locate in those same areas.[9] This is despite the fact that solar energy can be designed and built to be compatible with agriculture in ways gas plants cannot.

Agricultural activities such as grazing livestock and growing crops can occur on the same land as solar panels, provided the solar project is designed with agricultural compatibility in mind. We encourage the IESO to create policies that favour renewable energy projects that explicitly include agricultural compatibility over those that do not, when located on agricultural land. Designing and building agrivoltaic projects can make better use of the land by giving it a dual purpose while helping allay concerns about protecting agricultural land.



*Sheep graze at a solar farm*

Unlike thermal gas plants, which require stripping topsoil and pouring permanent concrete slabs, agrivoltaic solar installations are engineered to preserve and coexist with farmland.

[8] October 9, 2026 version of the draft LT2(c-2) Contract, section 2.3 (p. 37) https://www.ieso.ca/-/media/Files/IESO/Document-Library/long-term-rfp/capacity/LT2-c-2-Contract-20261009-draft.pdf

[9] October 9, 2026 version of the draft LT2 RFP, section 2.1(d)(ii) (p. 10) https://www.ieso.ca/-/media/Files/IESO/Document-Library/long-term-rfp/energy/LT2-e-2-RFP-20261009-draft.pdf



*Raspberries growing beneath solar panels (source: PVMagazine)*

- Solar panels can be elevated, allowing clearance heights that let tractors and equipment pass directly beneath them.
- Solar panel rows can be spaced sufficiently apart to ensure enough direct sunlight for crop cultivation or livestock grazing.
- Solar panel support structures generally rely on driven pile foundations, which can eliminate the need for concrete footings and allow the land to be restored to its original state during decommissioning.

Rather than a categorical exclusion of solar on prime agricultural land, the IESO should establish specific technical design criteria for agrivoltaic co-use.

Excluding solar panels from prime agricultural areas clearly departs from technology-neutral siting eligibility, as solar is categorically excluded from a class of locations where competitors, like gas plants, can seek approval. We encourage the IESO to create a project-specific route for solar proposals that make agricultural compatibility a core principle, enabling them to demonstrate acceptable agricultural impacts.

Project-specific evidence should guide decision-making rather than an unequal, blanket prohibition. This evidence may include the extent of land removed from production, continued agricultural productivity, soil and drainage protection, and restoration obligations.

4. **The financial protection for gas generators from greenhouse gas emission restrictions shifts risk to ratepayers and tilts the field toward gas.**

A provision in the draft capacity contract transfers from plant operators to ratepayers the financial risk of losing monthly capacity payments if future emission regulations are adopted.[10] The draft contract provides payment protection if federal or provincial emissions restrictions materially impair a contracted plant's operation, including qualifying standby or permanent decommissioning. This is another financial benefit accorded specifically to emitting generation sources, which non-emitting sources do not receive.

**The risk shift** –

This IESO contract provision could result in ratepayers paying significant costs to decommissioned fossil-fuel plants if regulatory action is taken to address their emissions. After permanent decommissioning, monthly payments for fixed capacity continue at 75%, and a plant placed in standby is due full monthly payments.

Further, the proposed LT2 capacity contracts extend to 2052, spanning the implementation of federal electricity-emissions restrictions and the federal objective of a net-zero electricity system by 2050. Even if Ontario does not introduce emission regulations by then, ratepayers may still be responsible for the costs of stranded assets if the federal government does.

Socializing the risks associated with pollution runs counter to the principle that polluters should pay for their damages and bear their own risks (the "polluter pays principle"). Fossil fuel plants that cause adverse health and environmental impacts should bear their own risk of future regulation and not be subsidized by ratepayers.

**Fairness** -

De-risking fossil fuel plants from future regulation is a benefit accorded to fossil fuel generation that clean energy generators do not receive. If the IESO compares bid prices without adding the costly risk associated with stranded assets, the lowest-price proposal may not be the lowest-cost option for ratepayers.

**Transparency -** The bid price in the procurement may understate the risk that the public takes on by procuring electricity from polluting sources. It is unclear whether and how the IESO considers the financial obligations it transfers from gas plants to the public in the procurement process. Likewise, it appears that these financial obligations are not being considered in the evaluated proposal price formula used to rank proposals (section 4.4(d) of the October 9, 2026 RFP). We ask the IESO to explain how the gas-specific reimbursement obligation for standby/decommissioned gas plants is reflected in proposal evaluation and expected ratepayer costs.

[10] October 9, 2026 version of the draft LT2(c-2) Contract, section 2.13(d) (p. 47) https://www.ieso.ca/-/media/Files/IESO/Document-Library/long-term-rfp/capacity/LT2-c-2-Contract-20261009-draft.pdf

| Issue | Gas project | Battery or renewable project |
|---|---|---|
| **Costs and risk** | 75% of monthly payment guaranteed by ratepayers for decommissioned gas plants | No comparable benefit for non-emitting resources |
| **Fairness** | Can offer a lower fixed capacity price because part of its risk is covered by ratepayers | Must price its own risks into the bid |
| **Transparency** | Headline bid may understate the true cost to ratepayers if ratepayer-funded reimbursements are not fully reflected | Headline bid is more likely to reflect its full cost |

Together, the provisions discussed above raise the following concerns: 1) subsidizing gas plants' risks will almost certainly saddle ratepayers with liabilities; 2) competing technologies may not be being evaluated on a comparable basis, which would result in an unfair advantage for fossil fuel generation; 3) the biases identified could mean that the winning bids will not actually be the lowest-cost option for Ontarians.

The IESO materials we reviewed lead to the conclusion that the gas-specific risk transfers to ratepayers, exclusion of storage from early commercial operation incentives, and blanket solar siting restriction are unjustified.

We recommend that the IESO amend the LT2 documents to remove the subsidized risk provisions that benefit gas plants at ratepayers' expense. Polluters, not ratepayers, should bear the risk of future regulation under the polluter-pays principle. Fairness toward competing non-emitting technologies and transparency are important to the integrity and neutrality of the competition. To further ensure fairness, we also recommend extending early commercial operation incentives to storage resources, and taking a more nuanced approach to prime agricultural lands, recognizing the benefits of agrivoltaics.

We very much appreciate your careful consideration of the thoughts and suggestions enclosed here.