Feedback Form

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

Feedback Provided by:

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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**
- x **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 IESO LT2 Team,

We appreciate the opportunity to provide feedback on the draft LT2-W2 documents and would welcome the ability to discuss any of our comments.

Thank you,

Jon

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?

  Expand Prescribed Zones to include Ottawa and Essa (RFP s.4.3(c)).

  The draft awards two (2) Rated Criteria Points where all Properties are located in the East, West or Southwest zones (any technology), or the Northeast or Northwest zones (Non-Solar Projects). We note that the IESO has previously indicated that its rated criteria points have resulted in developers moving towards those areas often overwhelming local grid capacity, like in the southwest for E-LT1 and the north for LT2-W1.

  The Ottawa and Essa zones are excluded even though both include locations where the Window 2 deliverability guidance shows additional connection capacity is available. Excluding them steers proposals away from locations where the system can accept new supply. If the IESO would like to expand the areas in which proposals will be submitted, we encourage the IESO to expand the areas the Rated Criteria points associated with Prescribed Zones.

  Recommendation: Add the Ottawa and Essa zones to the Prescribed Zones in s.4.3(c).

  Provide an additional Rated Criteria point for Distribution connected projects.

  Distribution connected projects, connecting at less than 50 kV, are inherently closer to load and all or most of their generation will be consumed on the distribution system, avoiding incremental transmission investment and losses via transmission and distribution systems to other parts of the IESO controlled grid.

  Historically, there was recognition by the IESO of these benefits, including in the design of the Renewable Energy Standard Offer Program or in the current Save On Energy program focused on load displacement. While the LT2e-W2 projects would export to the grid, the value they create is by avoiding upstream costs in the transmission and distribution systems.

  Recommendation: Provide an additional rated criteria (1) point for projects connecting to the distribution system.

Recognizing Rate Payer Value by Prioritizing Projects close to load centres

Currently a kWh generated hundreds of kilometres away from a load, where its consumed, is valued the same as a kWh generated within a few kilometres of a load. The IESO's current Rated Criteria that provides points for projects in specific IESO zones is neutral on where projects are located relative to the location of load. Projects in areas where there are more loads provide inherent benefits that projects located hundreds of kilometres away (i.e. in the North) do not provide. The losses on the transmission and distribution system can be significant not to mention the cost to upgrade these networks to enable power generated from far to move to load centres.

While projects close to load can be more difficult and expensive to site, they do provide these tangible benefits to Ontario ratepayers that are currently not valued in the IESO's LT2-W2 procurement.

Recommendation: Provide an additional 2 rated criteria points for projects that are close to load centres. This could be defined as specific municipalities that are within a specific radius of a large load centre.

Belleville and Kirkland Connection Caps (RFP Appendix A; s.4.5(e)).

The new definitions set the Belleville Connections Cap at ten (10) MWh and the Kirkland Connection Cap at fifty (50) MWh of Expected Annual Energy Production. These appear to be intended as GWh. Even at 10 GWh, the Belleville cap would be filled by a single solar project of roughly 8 MW, after which the remaining proposals lose their point and are re-ranked.

Recommendation: Confirm the units, size the Belleville cap to reflect the available capacity on the Belleville Connection Points, and set out how the re-ranking and re-run of the Deliverability Test in s.4.5(e) will be sequenced so proponents can assess their risk before submitting.

Non-Wires Alternatives (NWA)

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

  We are supportive of incremental points for these locations / connection points.

Agricultural Land Considerations

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

  We are supportive of maintaining the rated criteria points for non-agricultural areas and suggest the IESO work on developing exemptions for agrivoltaics on Prime Agricultural Areas in subsequent LT2 window. This type of policy change is material and materially impacts siting across the province. Like many developers we have been working on finding eligible

land for the current set of rules for over a year and a change to the policy would erode the value to that time and effort already invested.

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?

  Restore the 20% Non-Performance Charge threshold for solar (Contract Exhibit F, s.2; s.3.1).

  The October 9, 2026 draft lowers the Performance Factor Shortfall threshold for Solar Facilities from 0.20 to 0.10, while keeping 0.20 for every other technology. A solar facility now begins paying Non-Performance Charges once actual production falls below 90% of its Annual Average Imputed Production Factor, rather than 80%.

  Solar output depends on irradiance, which varies materially from year to year for reasons outside the supplier's control. A 10% band sits within normal weather variability, so a well-built, well-maintained facility could face charges in an ordinary low-irradiance year. Module degradation over a 20-year term compounds the problem: suppliers will respond by bidding more conservative production and higher prices. Lenders will also size this exposure into their downside cases: larger reserve accounts, lower debt sizing and higher margins. The result is a higher cost of capital, which flows directly into higher bid prices for ratepayers.

  We have provided an excel showing how frequent NPCs will be charged if NPCs are charged starting at 90% of the imputed production. The impact on debt sizing is an important factor that we are experiencing now in trying to secure debt for our projects.

  Two drafting points: Section 3.1 still defines the Minimum Performance Factor as 80% of the Annual Average Imputed Production Factor for all facilities, which is now inconsistent with Exhibit F for solar; and the Non-Performance Charge formula reads "[PFS – 0.2PFST]", which appears to be a residual edit and should read "[PFS – PFST]".

  Recommendation: Restore the 0.20 threshold for Solar Facilities (80% of imputed production), consistent with s.3.1 and with all other technologies. This will ensure bidders can be more aggressive with their bid prices.

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?

  Changes to the assessment of capacity require additional time for the development community to assess and understand prior to developing projects for an upcoming procurement.

  We encourage the IESO to continue this framework for subsequent windows of the LT2 procurement, but leave in place the current structure for energy storage.

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?

  Reallocate any unfilled Repowering Cap to New Build (RFP s.1.2(f), s.4.5).

  As CGD has raised in earlier feedback, Repowering Proposals can only be selected where their price is below that of the last New Build Proposal selected, up to the Repowering Cap. If fewer competitive Repowering Proposals come forward than the cap allows, that energy goes unprocured, even when competitive New Build Proposals remain on the Preliminary List.

  Recommendation: Provide that any portion of the Repowering Cap not filled by eligible Repowering Proposals is added to the New Build Target Energy and procured from the remaining New Build Proposals in rank order. This keeps the total procurement whole and maximizes competition for ratepayers.

Regulation Service Readiness

- Do you have feedback on the proposal to require regulation-service readiness for LT2 projects?

  CGD supports the new provisions in the draft Contract (s.1.1 and s.7.1(j)) that allow a contracted facility to be committed to, or contracted with, the IESO to provide Regulation Services without breaching the contract.

  Recommendation: However, CGD recommends lowering the minimum capacity to enable broader participation in future regulation services markets. The current minimum 10 MW capacity threshold would limit the ability of over 125 MW of contracted assets through the E-LT1/LT1 that are distribution connected. Current E-LT1 projects have a capacity of 4.99 MW and larger.

- Do you have feedback on the proposed technical requirements and any associated cost, schedule, or implementation impacts?

Deliverability and System Performance

- Do you have feedback on the proposed deliverability methodology, including regional congestion assumptions and transparency of information available to proponents?

  Distribution-connected stations fed by multiple circuits (RFP s.4.5; Window 2 deliverability guidance).

  The guidance gives per-circuit maximum injection values and notes that total injection into a multi-circuit corridor may be less than the sum of the individual circuit values. It does not say how a distribution-connected project is assessed when its station is fed by more than one transmission circuit with different values or classifications. Proponents cannot tell whether the

IESO will apply the lowest circuit value, the sum, or a split, or whether a single "Avoid" circuit makes the whole station "Avoid".

The guidance also notes that protection-driven "Avoid" constraints (for example, too many taps or line differential protection) may not apply to distribution-connected projects, but does not say whether the same applies to "Avoid" designations driven by other limits. Some "Not Allowed" designations are driven by stability limits that bind in only one direction of flow, so a station on the other side of the constraint may not be affected; that directionality is not published.

Recommendation: Publish station-level deliverability values for transformer stations that serve distribution connections, set out the rule used to derive them from circuit values. Clarify which "Avoid" reasons apply to distribution-connected projects and identify the direction of any stability-limited constraint. A short pre-submission process in which proponents can confirm the treatment of specific stations would also reduce the number of proposals that fail Stage 5.

- 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?

  The interactive circuit-availability maps targeted for November would be a natural place to show station-level values for distribution-connected stations, the reason for each "Avoid" designation, and the direction of any stability-limited constraint, as described in our deliverability comments above.

General Comments/Feedback

Do you have additional feedback to share with the IESO?

Nameplate Capacity relative to Contract Capacity (Contract s.1.1, s.2.5(a)(i)(C); RFP s.2.1).

CGD is a Selected Proponent in LT2 Window 1 with three agrivoltaic solar projects totalling approximately 45.8 MW. That experience shows the 105% limit, together with the new requirement that Nameplate Capacity at COD exactly equal the value in Exhibit B, is too rigid:

Losses between the inverters, transformers and revenue meter mean a facility whose inverter rating equals its Contract Capacity will never actually deliver its Contract Capacity at the meter.

Interconnection requirements reduce effective output further. A 0.96 power factor requirement in a Connection Impact Assessment cuts effective real-power capacity by about 4%, close to the entire 5% allowance.

Energy produced above Contract Capacity is not paid at the contract price, so a higher Nameplate Capacity costs ratepayers nothing under the contract. It lets facilities consistently deliver their Contract Capacity and adds energy to the system, subject to the LDC or transmitter confirming the connection can take it.

Recommendation: (a) Allow Nameplate Capacity of up to at least 125% of Contract Capacity where the LDC or transmitter has confirmed the connection can accommodate it. (b) Replace the COD condition that Nameplate Capacity be "equal to" the Exhibit B value with a requirement that it not exceed the approved maximum, so equipment substitutions within that limit do not require a Facility Amendment.

Changes CGD supports. The day-for-day extension of the Milestone Date for Commercial Operation and the Longstop Date for Force Majeure, which gives lenders and suppliers more certainty than the previous "reasonable period" test; the Regulation Services carve-outs in Contract s.1.1 and s.7.1(j); and the clear, published scoring for the Indigenous participation Rated Criteria in RFP s.4.3(a) and (b).

Thank you for considering these comments. CGD would be pleased to discuss them with IESO staff.