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.**

Rated Criteria

1. 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 states that the change to Energy Stream locational points "was done to maximize the energy output of MWs in the North, as well as to incentivize Proposals where the Deliverability Guidance has shown there is more availability on the system." We support the IESO's aim of designing the LT2 procurement in a manner that maximizes energy output and the use of a locational scoring framework to attract investment where it will benefit the system. However, we do not believe there is evidence to support the proposed measures that disadvantage solar relative to all other technology types. All eligible technologies should be subject to the same treatment under the competitive evaluation process.

There is weak justification for the proposed rules to structurally disadvantage solar.

Window 1 was decided on price, as winning proposals were closely matched on rated criteria. The IESO's results of May 8, 2026 show a weighted average Fixed Price of $86.71/MWh for solar and $94.95/MWh for wind, the latter being the price bid by the one wind project that executed its contract. Independent analysis by Foundation Economics set out in their April 28, 2026 review of the LT2(e-1) results attributes solar's competitiveness to a long decline in solar costs, and wind's disadvantage due to timing and a dearth of data to support production profiles in Ontario, finding that the Window 1 mix is "*more likely a function of timing than a structural feature of Ontario procurement*." We believe this is correct, and the conditions that held wind back will ease as developers complete their wind measurement campaigns. Technology-specific rated criteria are not needed to correct differences in competitiveness that are within the control of the developer, and the implementation of such criteria would be at odds with the principles of efficiently competitive markets.[1] We acknowledge that the authors of the Foundation Economics analysis also identified that solar developers may have been willing to take on more merchant risk, which if true, would have resulted in a real risk the borne by the proponent by carrying the short position into the delivery period. However, if the IESO is concerned with this approach to bid structuring, its proposed fix leaves open this room for all technologies except solar, where non-solar technologies enjoy a competitive advantage at the bid evaluation stage and continue to benefit from the 0.2 NPC threshold vis-à-vis a proposed threshold of 0.1 for solar resources.

[1] "Ontario's LT2 Window 1: What the Results Signal for Ontario's Energy Future", April 28, 2026, available at: https://www.foundationeconomics.com/insights/260428_OntarioLT2Window1

The IESO's structural disadvantaging of solar is achieved through the competitive evaluation process, and risk allocation under the proposed LT2(e-2) contract. Section 4.4(d) of the October 9 draft RFP, the Evaluated Proposal Price is the Fixed Price multiplied by one less 0.20 times the share of the 12 available points awarded. The two Northern locational points therefore reduce a non-solar Proposal's evaluated price by 3.3%, about $3.17/MWh applied to the price of the Window 1 wind contract. Furthermore, the IESO's proposal to preserve the non-performance threshold for non-solar resources at 0.2, while reducing the non-performance threshold for solar to 0.1, means that it is willing to underwrite twice as much production shortfall for one technology while also giving it an evaluation advantage of 3.3%. A technology-specific underwriting policy for production risk otherwise borne by renewable generators sits poorly with the IESO's own direction on market risk. For instance, in its June 16, 2026 presentation, the IESO said it was considering removing the Day-Ahead-to-Real-Time Adjustment for Window 2, "*consistent with the IESO's long-standing view that market participants are best positioned to manage uncertainty related to next-day production*." We understand that view, even though we disagree with its application to renewable resources. However, if we assume the IESO would apply that principle to its RFP and contract design, it should also apply to production risk borne by technologies over a year. If the IESO believes that Suppliers are best placed to manage production risk, the design should not underwrite twice as much production shortfall for one technology and add an evaluation advantage on top. Market exposure is the IESO's own instrument for maximizing useful output and competitive pricing, and a faithful commitment to that principle means it is applied to every technology. The IESO has applied this principle evenly to the Day-Ahead-to-Real-Time Adjustment, reducing it to 60% for wind and solar alike. It should apply it evenly to the non-performance threshold as well.

Solar in northern climates is competitive. Natural Resources Canada's photovoltaic resource mapping identifies Rainy River, in Northwestern Ontario, as one of the province's highest-potential locations for solar generation, making a clear case against a scorecard that would steer solar away from the North. If the IESO's objective in the North is technology diversity rather than energy output, we ask that it state that objective and pursue it through a transparent instrument, such as a defined target, rather than through rated criteria points.

2. Non-Wires Alternatives (NWA)

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

We support awarding a point for Non-Wires Alternatives. We also support including solar as an eligible technology for the Kirkland Lake (K4) and Belleville DESN needs.

We note that the NWA caps in the October 9 draft RFP appear to be misstated. The Belleville Connections Cap and the Kirkland Connection Cap are defined as an aggregate Expected Annual Energy Production of ten (10) MWh and fifty (50) MWh respectively, while the underlying needs are 10 MW and 50 MW of capacity. As drafted, the first Proposal of any size would exceed the cap. Please confirm the intended drafting.

3. Agricultural Land Considerations

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

Policy direction on agrivoltaics and agricultural exemptions is needed as soon as possible as uncertainty over the 3-point Prime Agricultural Area criterion directly affects which sites are viable. We recommend that contract design incorporate reasonable ongoing agricultural-use obligations over the contract term, include reasonable cure periods, and not expose the facility to contract termination because of farm-operator decisions outside the Supplier's control.

The Prime Agricultural Area restriction impacts solar most directly. Wind projects rarely sit on prime farmland, and the Window 2 locational framework will concentrate wind in the North, where projects are likely to be built on Crown land. Clearing turbine pads, access roads and collector and connection corridors through forest, and the fragmentation that comes with it, is a significant land-use impact, yet it attracts no rated criteria treatment at all. We ask the IESO to make land-use scoring technology-neutral, either by broadening the criterion so that it applies to significant land-use impacts of all technologies, or by removing it.

LT2(e-2) Contract Design

1. Non-Performance Charges (NPCs)

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

We do not agree that a solar-specific threshold of 0.1 is supported by the evidence. Predictable outputs make forecasting easier, but the proposed solution does not create conditions for competition on price between technologies and instead increases the amount of production risk the IESO chooses to underwrite for non-solar technologies vis-à-vis solar.

As always, the risk allocated to the proponent gets priced in. Under a 0.1 threshold, solar proponents will bid conservative production factors and add a risk premium for the things they cannot control, and the IESO should expect Fixed Prices to rise as a result.

- A technology-specific threshold also penalizes every future solar proponent. Wind's greater year-to-year variability may be a reason for wind proponents to bid conservatively, but it is not a reason to change contract terms for solar facilities. Solar's predictability is a merit that should show up in lower bid prices. It is not a defect to be offset by a tighter threshold.
- The IESO’s monthly profile concern arises from the contract design, not from any technology, and the IESO has not identified which proposals or technologies it observed. In the Day-Ahead-to-Real-Time Adjustment, the IESO applies a single floor to wind and solar, and it has reduced that floor on the basis that market participants are best

positioned to manage uncertainty related to next-day production. The same approach should govern non-performance.

- We believe there are better ways to address the IESO's concern than a technology-specific threshold, and we would welcome the chance to work through them with the IESO before the final documents are posted. One direction is to address production factors at the evaluation stage, so that an overstated Imputed Production Factor does not improve a proposal's ranking. An approach of this kind deals with the behaviour the IESO has identified and leaves the threshold in Exhibit F to do the job it was designed for, which is to tolerate ordinary forecast error. Exhibit F should be updated to be consistent with Section 3.1, which sets the Minimum Performance Factor at 80% of the Annual Average Imputed Production Factor for every facility.
- Finally, we note that the reduction in DARTA protection in the October 9 draft Contract, from 85% of day-ahead revenue in the Window 1 Contract to 60%, a change not reflected in a manner consistent with other changes in the redline. The proposed NPC changes together transfer a material amount of risk to Solar Suppliers in a single window. We ask the IESO to assess these changes together and to set out the combined effect on expected Fixed Prices before finalizing either.

Deliverability and System Performance

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

We have noted a possible error for East of St. Lawrence, where Table 7 and Figures 1 and 2 of the Guidance show the East of St. Lawrence TS area limit as >1,000 MW for both Energy and Capacity, and slide 31 of the October 14 presentation also shows >1,000 MW. However, the column headers of Table 12 (Energy) and Table 15 (Capacity) show East of St. Lawrence as "E: 200 MW | C: 100 MW". If there is an error, could the IESO please confirm the correct values.

2. **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?**

Regarding MSCR values, the Connection Guidance (Section 4.3.2, Figures 6 to 8) shows Northern Ontario IBR room at MSCR 3, 5 and 8, and states that project-specific SSCI assessments will use "the parameters submitted by proponents". The October 9 draft LT2(e-2) RFP does not yet say how MSCR will be submitted or verified.

- **Submission.** How will proponents propose an MSCR rating in their Proposal? For example, a declared value in the Proposal form, supported by an OEM letter or study. Please also confirm whether MSCR is measured at the Connection Point or at the inverter terminals, and whether it applies to the facility as a whole or to each inverter.

- **Verification.** How will MSCR claims be verified in the deliverability test? For example, through OEM documentation, validated PSCAD/EMT models or post-COD testing. Please also explain what happens if the as-built facility cannot meet its declared value, including any change to its deliverability status and any contract consequences.
- **Ratings between published values.** Will ratings between MSCR 3 and 5 be interpolated? For example, will a facility rated at MSCR 4.0 be assessed against limits between the MSCR 3 and MSCR 5 values, or rounded to the more restrictive value? The same question applies between MSCR 5 and 8.
- **Grid-forming batteries.** Section 4.3.2.1 of the Guidance says IBR limits "may not be applicable" to resources with grid stability solutions such as GFM, and that the IESO will decide applicability "at its discretion". Please confirm whether a co-located GFM battery can improve a solar facility's assessed rating. Please also confirm whether a GFM battery contracted separately (for example under LT2(c-2)) or behind the meter can do the same. In each case, please explain how its contribution would be quantified. We ask the IESO to publish objective criteria to guide this assessment.

3. **Do you have feedback on the proposed circuit availability maps and any additional information that would support project siting and proposal development?**

We strongly support the interactive Circuit Availability Maps and look forward to their release. It is critical for developers that they be updated when the guidance changes, with a version date and change log. Please also make the underlying data downloadable (GIS shapefile/KML and tabular), including circuit IDs, voltage, transformer stations and DESNs, area congestion boundaries, SSCI values at each MSCR level, short-circuit-limited stations, protection-constrained and "not allowed" circuits, and NWA circuits and feeders.

General Comments/Feedback

Do you have additional feedback to share with the IESO?

No additional comments currently.