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Transmitter Selection Framework Registry (TSF-R) Design

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Territory Acknowledgement

The IESO acknowledges the land we are delivering today's webinar from is the traditional territory of many nations including the Mississaugas of the Credit, the Anishnabeg, the Chippewa, the Haudenosaunee and the Wendat peoples and is now home to many diverse First Nations, Inuit and Métis peoples. We also acknowledge that Toronto is covered by Treaty 13 with the Mississaugas of the Credit First Nation.

As we have attendees from across Ontario, the IESO would also like to acknowledge all of the traditional territories across the province, which includes those of the Algonquin, Anishnawbe, Cree, Oji-Cree, Huron-Wendat, Haudenosaunee and Métis peoples.

Purpose

The purpose of this engagement is to:

1. Summarize and respond to the feedback received on the proposed Transmitter Selection Framework Registry (TSF-R) design guideline
2. Present key aspects of the draft TSF-R program rules
3. Identify next steps for the TSF-R launch
4. Invite feedback on the draft TSF-R and Program Rules

Agenda

1. Recap of TSF Objectives and Rationale for TSF-R
2. Summary of feedback from January Engagement Session
3. TSF-R Program Rules
4. Feedback and Next Steps

Recap: Transmitter Selection Framework Objectives

- The main objectives of the Transmitter Selection Framework (TSF) will be to:
 - Leverage competition and new entrants to **deliver better value for ratepayers;**
 - Attract new investment in Ontario, in a manner that **supports the IESO's Resource Adequacy Framework and broader economic growth;**
 - **Provide transparency** around Transmitter Selection in Ontario;
 - Enable Indigenous participation and **contribute to ongoing reconciliation efforts;** and
 - **Foster innovation** for transmission solutions over the long run.
- The TSF will only be appropriate for certain new transmission projects, and the IESO has identified proposed project-eligibility considerations which will help guide TSF project-identification.

Proposed High Level 2025 Engagement Plan

Jan 2025
Kick-off TSF-R
Design

Q2 2025
Post Draft TSF-R
Program Rules

Q2-Q3 2025
Finalize TSF-R
program Rules

Q3 2025
Launch TSF-R

Q3-Q4 2025
IEPP and Commercial
Framework
Development

**Q4 2025 /
Early 2026***
Bulk Study
Completion



Engage with Indigenous communities and stakeholders through:

Focused engagement
sessions

1:1 discussions,
as needed

Targeted discussions
with Indigenous
communities and
stakeholders as needed

On-going engagement

Identifying TSF Transmission Projects

- Several transmission planning studies are being carried out by the IESO at present, with plans culminating in late 2025 and early 2026
- IESO recommendations for transmission system expansions will identify if transmission projects are suitable for the TSF

Key Transmission Plans Underway	Timeline for Plan Publication	Upcoming Engagements
• South and Central Bulk Study	Late 2025	May 2025
• Northern Ontario Bulk Study Module 2: North of Sudbury	Early 2026	TBD
• Eastern Ontario Bulk Study	Early 2026	May 2025



Summary of Transmitter Selection Framework Registry Feedback

Feedback: General Themes

Feedback received centered around the following themes:

- Differing perspectives on the recommended level of transmitter pre-assessment requirements; feedback recommending higher standards was put forward, while most feedback suggested more flexible and easy-to-meet standards
- Evaluation criteria; TSF-project-eligibility criteria
- Structure of applicants
- Alternative pathways for existing transmitters & new entrants

Feedback: Detailed (1 of 2)

Evaluation Criteria

- Personnel: clarify definition of Designated Team Members, increase number of required team members
- Project Experience Requirements: too restrictive, distance of 30km recommended
- Financial Credibility: third party funding should be acceptable, new partnerships may not meet requirements, pathway for private companies to prove capability is required, net worth requirements should be stronger

Structure of Applicants

- Cumulative experience of partners should be considered
- New partnerships will not have requisite experience under the newly formed entity → Criteria should be able to be fulfilled by one party within a partnership or joint venture
- Capability of a broader corporate entity associated with an applicant should be recognized

Feedback: Detailed (2 of 2)

Alternative Pathways for Acceptance

- Alternative pathways for new entrants (such as that offered by MISO) should be considered
- Licensed Ontario transmitters should automatically qualify
- Ontario experience should be recognized

Criteria for Project Selection

- Broaden to include projects under \$100 million, 115 kV lines, shorter lead times
- Create separate pool for smaller transmission projects to develop capability within Ontario
- Shorten project lead time (3-4 years) / extend lead time (10 years)

Feedback: Key Takeaways

- The IESO recognizes feedback that strict experience and financial requirements create barriers for new and smaller developers, limiting competition.
- Incorporating this feedback requires balancing the need to implement strong eligibility criteria to ensure projects are built on time and on budget.



Draft TSF Registry Program Rules and Key Features

Recap: TSF Registry Rationale

The TSF-R follows best practices demonstrated by other jurisdictions for competitive transmission procurements. The purpose of the TSF-R is to:

- Enables Persons to apply to participate in potential IESO procurements for Transmission Projects under the TSF.
- Expedite the procurement process by pre-assessing general transmitter eligibility for a TSF procurement. Estimated savings of 6+ months compared to running a traditional Request for Quotation (RFQ) for every procurement.
- Verify that transmitters meet the minimum eligibility criteria the IESO sets for organizational experience and financial capacity.
- Increase competition to deliver better value to ratepayers.

Application Process

- Persons who wish to be registered on the TSF-R must submit a complete "Application Package".
- A Person who submits an Application Package is an "Applicant."
- An Applicant that is accepted onto the TSF-R will become a "Registrant."
- For procurements conducted under the TSF, future Requests for Proposals (RFP), the proponent submitting a proposal must be the Registrant, a wholly owned subsidiary of the Registrant, or another Person whereby the Registrant holds at least [45%] of its Economic Interest.

Existing Ontario Transmitter

- Based on feedback and in light of the goals of the TSF, the IESO has proposed a separate evaluation process for “Existing Ontario Transmitters.”

“Existing Ontario Transmitter” means a Person that:

- (i) is licensed by the OEB as a Transmitter;
- (ii) has been granted at least one (1) Leave to Construct (LTC);
- (iii) has completed the Construction of a Transmission Project in respect of such LTC
- (iv) pursuant to such licence has owned a Transmission Project for at least [2] years post energization.

Organizational Experience

- Existing Ontario Transmitter
 - The Applicant, or a single Controlling Parent of the Applicant, must demonstrate that it is an Existing Ontario Transmitter.
- Non-Existing Ontario Transmitter
 - The Applicant, or a single Controlling Parent of the Applicant, must have performed the following functions, each in respect of a minimum of two (2) Qualifying Projects:
 - Planning, Developing, Financing, Constructing, Owning and Operating for at least five (5) years post energization
 - Competencies can be demonstrated throughout multiple separate Qualifying Projects. For example, the applicant planned, developed, financed and constructed “Qualifying Projects 1 & 2” and owned and operated “Qualifying Projects 2 & 3” for 5 years.

Qualifying Projects

- Qualifying Projects are:
 - i. New Build transmission lines located in greenfield transmission corridors in Canada, the European Union, the United Kingdom, or the United States of America,
 - ii. Operating at a voltage level of at least 200 kV,
 - iii. A minimum length of 30 kilometres, and
 - iv. Achieved commercial operation no more than 20 years prior to the submission date of the application package

Financial Strength: Non-Existing Ontario Transmitter

- A Tangible Net Worth of \$200 million, through audited financial statements.
- Credit ratings of investment grade and not lower than BBB-, Baa3, or equivalent rating, that it has received from S&P, Moody's, or any other Nationally Recognized Statistical Rating Organization (NRSRO).
- Must not have a history in the past five (5) years of any proceeding under any Insolvency Legislation or regulatory enforcement in which the Ontario Energy Board (OEB) or an equivalent body
 - (a) ordered it to surrender possession and control of its business, or
 - (b) suspended its transmission license.

Financial Strength: Existing Ontario Transmitter

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Registration Fee

- Each Application Package will be required to be accompanied by payment of a non-refundable application fee (the “Application Fee”)
- The purpose of the fee is intended to offset costs associated with running the TSF-R process.
- The proposed fee amount has not yet been identified, and will likely align with the fee amount required for an OEB Transmitter License application.
- The fee will be finalized before the launch of the TSF-R.

Indigenous Communities

- It is the intent of the TSF that any Indigenous Community impacted by future Transmission Projects (TP) under the TSF will have the ability to freely participate in such TP as they so choose.
- To promote this outcome, registrants and their affiliates cannot bind Indigenous Communities to exclusivity arrangements for TP before the IESO selects a proposal (a “Prohibited Exclusivity Arrangement”).
- As a condition of registration, once a TSF TP has been identified Registrants must return a completed a “Non-Exclusivity Form”, attesting they have not bound and will not bind Indigenous Communities to exclusivity arrangements.

Continuous Reporting

- A Registrant has an ongoing duty to update the IESO, as soon as reasonably practicable, should it become aware of any change to its compliance with the mandatory requirements set out in Section 2.2 or any material change to any part of its Application Package or Renewal Form.
- If a Registrant fails to inform the IESO of changes, or provide its audited financial statements, the IESO may terminate the Registrant's registration status and remove them from the TSF-R.

Confidentiality (IESO Information)

All information provided by or obtained from the IESO in any form in connection with the Transmitter Registry or Transmitter Selection Framework, that is not otherwise publicly available is the sole property of the IESO and must be treated as confidential.

- a) is not to be used for any purpose other than applying to participate in the Transmitter Registry;
- b) must not be disclosed without the prior written authorization of the IESO, other than to the Participant's partners and advisors, provided the Disclosing Party obtains similar confidentiality commitments from such third parties; and
- c) must be returned by the Participant or third party (as applicable) to the IESO immediately upon request of the IESO.

Confidentiality (Applicant Information)

- Information provided by a Participant is subject to, and may be released in accordance with, the provisions of the Freedom of Information and Protection of Privacy Act (FIPPA). Notwithstanding any confidentiality statement provided by the Participant, the IESO may be required to disclose information that is otherwise not protected from disclosure through an exemption in FIPPA.
- The IESO can publish Participants' names and participation details on the TSF-R on its website, subject to laws and regulations.
- Information submitted to the IESO is not considered proprietary or “confidential” unless explicitly labeled as such in writing or confirmed in writing after oral disclosure.

Assignment or Change of Control

- Following the submission of an Application Package and until the date that the Applicant is provided with a notice of rejection or acceptance, an Applicant must not:
 - assign its Application Package to another Person (including by way of amalgamation or by operation of law); or
 - be the subject of a change of Control (including by way of amalgamation or by operation of law).
- A Registrant shall not assign its registration status to another Person.
- A Registrant shall not permit or allow a change of Control of such Registrant, except with the prior written consent of the IESO.

TSF-R Registration Renewal

- A registrant that intends to remain registered on the TSF-R must renew its registration status every two (2) years.
- The registration status clock begins at the close of the TSF-R registration or renewal window. For example, if an applicant is approved on October 1, 2025, and the window closes on December 1, 2025, the two-year renewal date would be December 1, 2027.
- The IESO will commence the biennial registration renewal process by sending a renewal notification to the Registrant.
- The renewal notification will contain instructions on how to submit a Renewal Package to the IESO, including the deadline for submitting the information and the Renewal Fee.

Renewal Package

- A “Renewal Package” consists of a completed Renewal Form and the documents and evidence, including applicable prescribed forms.
- A statement signed by an authorized representative of the Registrant affirming that it remains in compliance with all of the mandatory requirements for registration set out in the program rules.
- A statement signed by an authorized representative of the Registrant certifying whether or not specified changes occurred within the past two (2) years, including but not limited to: dissolution, change in the Registrant’s legal name or legal status, proceeding under any Insolvency Legislation, mergers or acquisitions, or other corporate restructurings of the Registrant.

Termination of Registration

A Registrant may terminate its registration status and withdraw itself from the TSF-R at any time by giving notice to the IESO. The IESO will remove such a Registrant from the TSF-R.

Any fees paid will not be returned to the Registrant.

The IESO may terminate the registration status and remove the Registrant from the TSF-R if:

- The registrant has failed to meet any of its ongoing responsibilities set out in the registrant requirements
- The IESO has determined that a Registrant is no longer eligible for the Transmitter Registry;
- The Registrant's Renewal Application has been denied

List of Key Changes from the proposed Design Guideline

- TSF-R proponent – must be either the TSF-R registrant, wholly owned subsidiary, or joint venture/partnership with at least [45%] equity committed by the TSF-R registrant.
- Additional Indigenous community exclusivity arrangement clause.
- Organizational experience and technical experience revisions:
 - Qualifying project: reduced the minimum distance from 50km to 30km
 - Qualifying project: increased the service window from 15 to 20 years
 - Added “Existing Ontario Transmitter” experience
 - Removed the Technical Capabilities category that relates to identifying key personnel

Next Steps

- The IESO invites written feedback on the draft materials by **May 13, 2025**. All written feedback should be submitted to engagement@ieso.ca utilizing the IESO Feedback Form posted on the engagement webpage.
- The Draft TSF-R Program Rules will be posted on the [TSF Engagement Page](#).
- Register for the upcoming [Transmission Planning Bulk Study Engagement](#).
- We will remain flexible on receiving input regarding TSF development – contact us if you are interested in setting up a 1:1 meeting directly with the IESO to discuss any of the topics explored today, or other topics relevant to the TSF.
- The IESO will look to hold a follow-up engagement session in June to post final program rules and application form ahead of the TSF-R Launch in early Q3.

Thank You

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