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Competitive Transmission Procurement: Toronto Third Line RFP and Contract Design Update

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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 Anishnawbe, 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 in addition to the Métis and Inuit peoples.

Engagement Principles

This engagement is conducted in accordance with the IESO's [External Engagement Framework](#), which includes the following principles:

- **Purposeful** – Initiate meaningful conversations that move the sector forward
- **Inclusive** – Invite many voices and diverse perspectives to the table
- **Timely** – Seek input and insight when it can have the most impact
- **Accessible** – Ensure we meet people where they are on their energy journey
- **Traceable** – Allow everyone to follow the path that is being taken
- **Transparent** – Show how engagement helped shape the final outcome

Shared Commitment to Respectful Participation

To support a focused and constructive discussion:

- We will take questions one at a time; please use the raise-hand feature to enter the speaking queue
- We encourage concise and focused comments to allow time for multiple perspectives
- Participants are encouraged to raise relevant points during the discussion and provide more detailed feedback through the written submission process
- We ask that all participants maintain a respectful and professional tone throughout the session
- Facilitators will guide the discussion and manage participation to stay aligned with today's focus and agenda
- Where necessary, we may disable a participant's microphone to manage participation

Purpose & Scope of Today's Engagement

Purpose:

- To provide information regarding the Toronto Third Line Procurement and to continue the discussion on the design of the TTL procurement and propose additional RFP and commercial design concepts*

Scope:

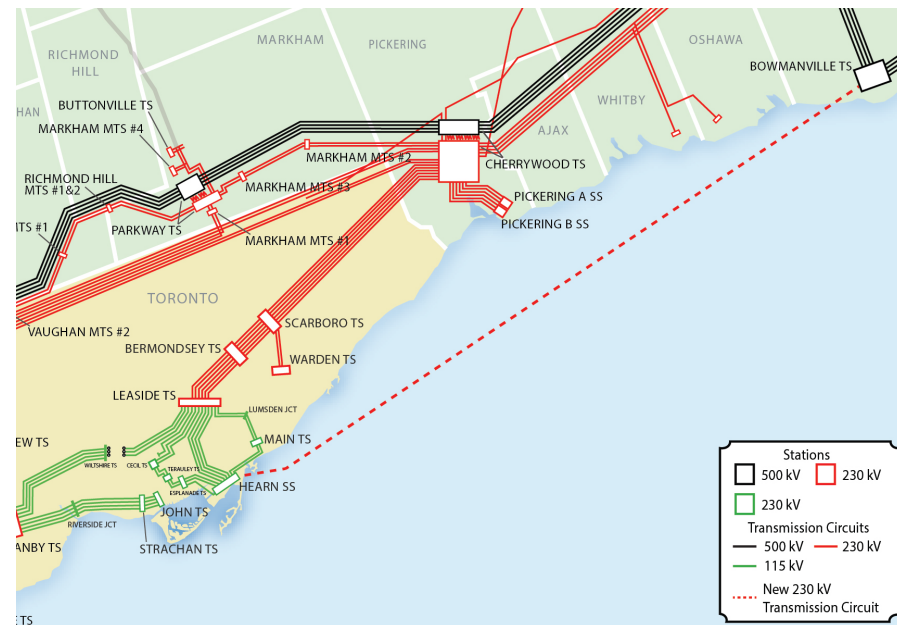
- This session is advisory and informational in nature and is not a decision-making forum; it does not create rights, entitlements or approvals
- This session does not constitute formal consultation or engage the Crown's Duty to Consult
- Any formal consultation or statutory process will be undertaken separately, and in accordance with applicable legislation or policy

Agenda

1. Recap: Toronto Third Line (TTL) Procurement & Procurement & Engagement Timelines
2. Sector Education and Engagement Materials
3. Engagement Feedback: Summary and Responses
4. Toronto Third Line Procurement:
 - TSF Registry Updates
 - Recap of Indigenous Engagement & Participation Plan (IEPP)
 - RFP & Commercial Design Concepts – for discussion
 - High Level Term Sheet - for discussion
5. Discussion & Next Steps

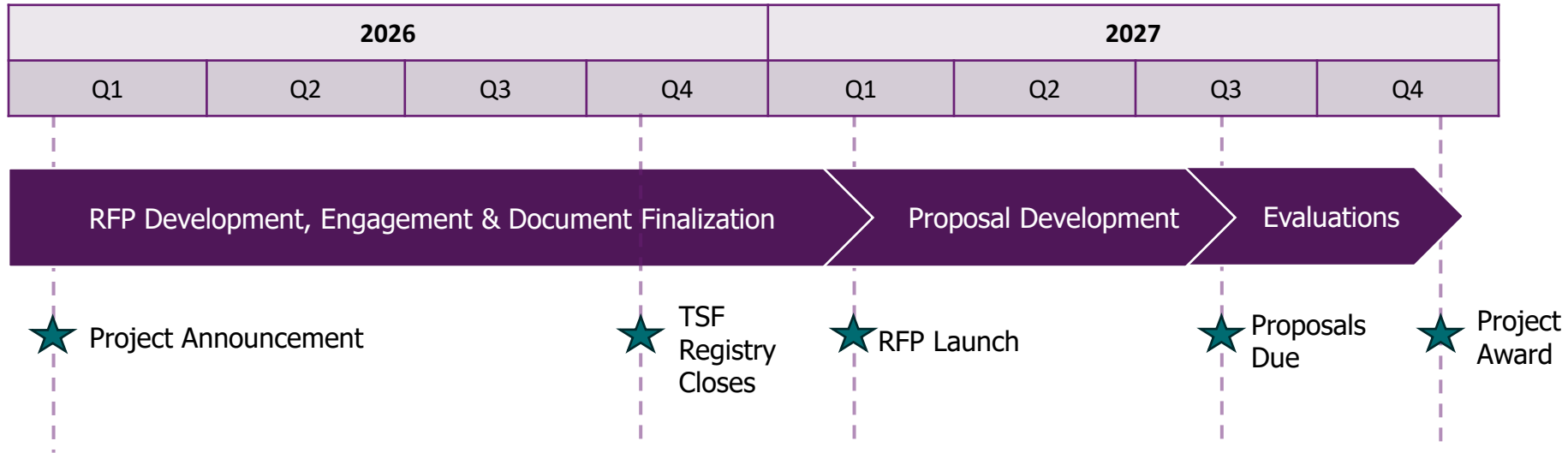
Recap: Toronto Third Line (TTL)

- The Toronto Third Line (TTL) will reinforce electricity supply into the city of Toronto
- The government announced the TTL on January 7, 2026 and posted a notice of proposal on the Environmental Registry of Ontario (ERO) (which closed February 21, 2026).
- The TTL will be approximately 65km, connecting Bowmanville SS (Clarington) to Hearn SS (Downtown Toronto). It is to have a capacity of 900MW and be in-service 2037 or sooner.
- A specific route has not been determined – this will be developed by the successful transmitter and dependent on regulatory approvals and the outcomes of Indigenous consultation.



Recap: Procurement Timeline for Toronto Third Line

The tentative procurement plan for the competitive procurement of the Toronto Third Line is illustrated below:



TTL Engagement Roadmap & Participation Opportunities

Timing	Engagement Activity	Stakeholder / Community Action
Q2 2026	Engagement sessions on procurement design concepts (RFP structure, contract approach)	Provide early input on design concepts, identify key risks and considerations
Q2-Q3 2026	Targeted technical sessions (transmitters & technical stakeholders)	Validate technical assumptions, provide input on feasibility and constructability
Q2-Q4	Indigenous-focused engagement and outreach	Participate in dedicated sessions and 1:1 discussions, provide input on procurement design elements, including IEPP and participation approaches, Identify community priorities and considerations
Q3 2026	Engagement sessions on draft procurement documents and technical specifications	Review draft materials, Submit formal feedback
Q4 2026	Engagement sessions on refinements to procurement design	Provide feedback on proposed updates, Confirm alignment with expectations
Q4 2026	Communication of final procurement design and next steps	Prepare for procurement participation, TSF-R close
Q1 2027	RFP launch and formal procurement process	Proponents develop and prepare to submit bids (by ~Q3 2027)



Sector Education and Engagement Materials

Sector Education and Engagement Plan

- The IESO has developed a digital educational guide to enable stakeholders and communities who may not be familiar with key transmission and/or competitive procurement concepts to build foundational understanding and support participation in TTL engagements.
 - The guide can be found on the IESO's [TTL engagement web-page](#).
- The IESO has also published a set of updated FAQs and a TTL procurement engagement plan.
- The IESO welcomes questions and feedback regarding the educational guide, FAQs or engagement plan – feedback can be directed to engagement@ieso.ca



January 28 Feedback and IESO Responses

January 28 Feedback – Key Themes

- Thank you to stakeholders and communities who provided feedback following the January engagement; most feedback was provided on a confidential basis with a few submissions identified for public posting; key themes from the totality of feedback received include:
 - Differing perspectives regarding the ideal design of a competitive procurement process for the TTL.
 - The need for clearly defined eligibility criteria and rated criteria in a TTL RFP, including the need to ensure proponents have sufficient experience.
 - The requirement to ensure that risks are appropriately allocated between ratepayers and transmitters, and acknowledgement that some HVDC facility costs are hard to predict/lock in at time of bid; general sector support for the use of a contract which integrates with Ontario Energy Board (OEB) rate regulation and provides investor certainty over the long term.
 - The need to ensure Indigenous participation is prioritized, and that economic participation options are flexible and inclusive.

IESO Responses to Feedback

- The IESO understands it must balance incenting transmitter participation while protecting ratepayers and promoting Indigenous participation.
- Ensuring TTL procurement proponents are adequately qualified to deliver a project of the scope and scale of the TTL while recognizing there are relatively few existing underwater HVDC projects in North America, will be key considerations.
- Indigenous participation will be a key component of project success, and Indigenous participation options should be flexible and incorporate the perspectives of communities.
- The IEPP will not replace the Crown's duty to consult.
- Feedback response document has been posted to the [TTL Engagement Page](#)



Registry Update and Technical Specification Roadmap

Registry Rules Update

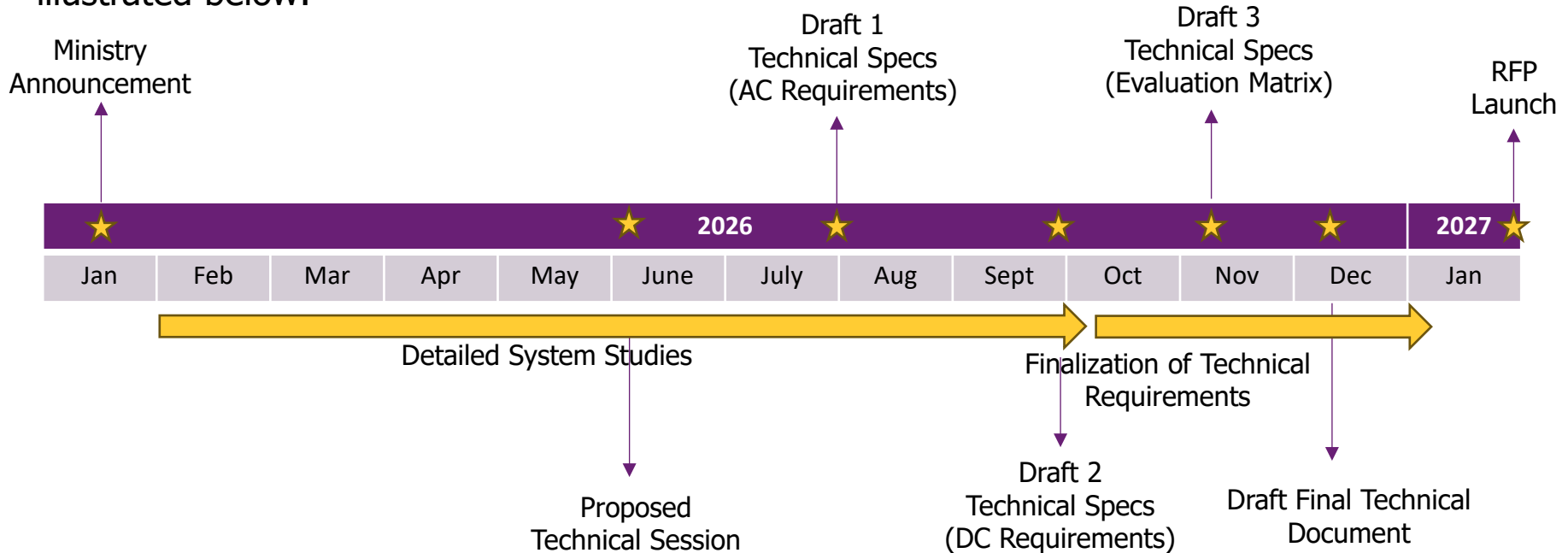
- The IESO has made updates to the [Registry Rules](#) to Version 2.0 (V2) to provide greater flexibility and clarity for prospective registrants.
 - TSF [Registry Rules V2](#) were published on March 18, 2026
 - Associated [application form](#) and [workbook](#) updated to V2
 - [Updated FAQ](#) for V2
- The most recent [Successful Registrants List](#) has been published to support transparency and market awareness.
- Registry Application Window Reminder: The Registry will remain open until 60 days prior to the anticipated launch of the procurement. The IESO will provide advance notice as to when the Registry will close.

Registry Rules V2 Highlights

- The key change is that an Applicant can now rely on more than one Designated Affiliate to demonstrate organizational experience.
 - Where the Applicant is not an Existing Ontario Transmitter, the Tangible Net Worth requirement must be met by the Applicant on its own, or by a combination of the Applicant and only one Designated Affiliate that is either relied upon to demonstrate organizational experience or Controls the Applicant.
- In the workbook, Applicants must clearly describe how the Applicant or a Designated Affiliate performed each Required Competency for a minimum of two Qualifying Projects.
 - A Designated Affiliate is not permitted to rely on the experience of a third entity in demonstrating its performance of a Required Competency.
 - The description provided should touch on each element in the definition for the Required Competency
 - The IESO must be able to determine from the information provided that the Applicant or a Designated Affiliate (as applicable) had an interest in the Qualifying Project at the time that it performed the Required Competency
- Prospective Applicants should review the Registry Rules V2 and FAQ prior to applying.

Technical Specification Development Roadmap

The plan for the development of the Technical Specifications of the Toronto Third Line is illustrated below:





Recap: Indigenous Engagement & Participation Plan (IEPP)

Indigenous Engagement & Participation Plan (IEPP) Overview

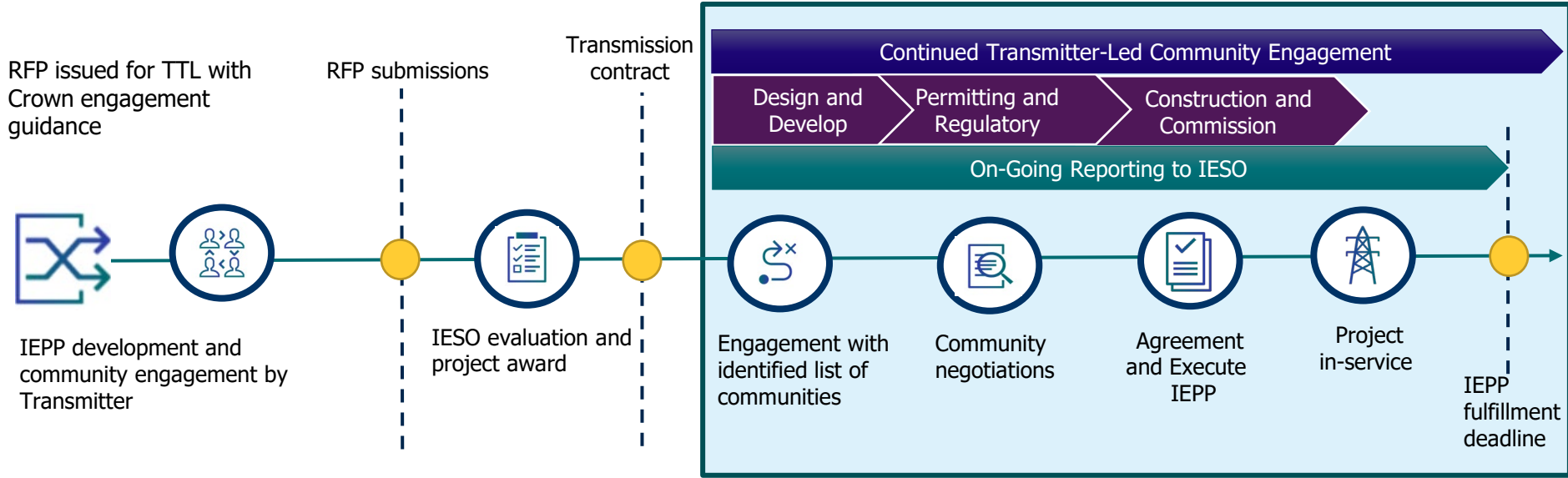
- As previously discussed, Indigenous participation will be a key component of the TTL procurement.
- In the TTL procurement, proponents will be required to **submit an IEPP as part of their proposal**, outlining their approach to Indigenous engagement, participation and provision of capacity funding.
- IEPPs are expected to be informed by early engagement with Indigenous communities; proponents would not be required or incentivized to secure agreements or formal support prior to proposal submission.
- The transmitter selected through the TTL procurement may be subject to IEPP reporting and implementation mechanisms within the contract.
- The IESO continues to seek feedback on key IEPP design elements and evaluation considerations to inform further development of the framework.

IEPP Objectives

Key goals of including the IEPP as part of the proposal are to:

Support Economic Reconciliation	Ensure Indigenous communities are provided with meaningful opportunities and capacity funding to participate
Encourage Early Engagement	Proponents are expected to engage with Indigenous communities early in project development
Support Accountability	Support the accountability of developers on their commitments to Indigenous communities
Enable Flexibility	Enable flexible participation options that can be tailored to individual community priorities and needs
Mitigate Project Risk	Support project success by mitigating risk associated with lack of Indigenous support for the project

Indigenous Engagement and Participation Plan Map



IEPP Implementation Throughout Development & Construction

**For illustrative purposes only*

IEPP Evaluation Criteria

- In previous engagements, the IESO has proposed criteria for how an IEPP could be evaluated as part of the RFP proposal – these include:
 - The percentage of equity that will be offered to Indigenous communities on the Crown's engagement list
 - The amount of non-equity economic commitments
- Other IEPP components the IESO is considering include:
 - Proposed engagement timeline and engagement plan
 - Evidence of having contacted communities on the Crown's engagement list and having offered capacity funding to engage in IEPP discussions



TTL Procurement – RFP and Commercial Concepts

RFP and Contract: Background and Rationale

- As discussed in previous engagements, transmitter selection processes that were previously undertaken in Ontario lacked binding commitments in the post-selection process.
- As a result, the IESO will be designing a Request for Proposals (RFP) process which will accept bids from qualified transmission proponents registered on the TSF Registry.
- The TTL RFP will identify the minimum qualifications for proponents to participate, and contain transparent evaluation criteria, specifying how a successful bid will be selected.
- In addition, the TTL contract will ensure that the criteria used to determine the selection are enforced throughout the development and construction phases of the project.

Proponent Qualification Background

- In the January 2026 ERO posting, the Ministry of Energy sought feedback on the qualification requirements for transmitters seeking to participate in the TTL procurement; specifically, in order to participate in the RFP the government proposed that proponents must possess:
 - *Experience developing, building, and operating and mitigating environmental impacts associated with underwater transmission lines, to be demonstrated through partnerships or other arrangements*
 - *Experience in engaging and working with Indigenous communities in Canada, including undertaking rights-based consultation within Treaty and traditional territories, to be demonstrated through partnerships or other arrangements with organizations that possess this experience*
- Feedback from some transmitters has indicated that in order to promote healthy levels of competition, the IESO should take a more flexible approach to how relevant project experience can be demonstrated by proponents, while ensuring that sufficient qualification can be ensured.

Qualifying Projects (QP)

- In developing the RFP, the IESO must define what types of projects are acceptable for transmitters to use in demonstrating their relevant experience.
- Experience with HVDC underwater transmission is limited, yet clearly valuable/relevant.
- However, broader forms of experience could also be considered to demonstrate the capabilities required to successfully deliver the TTL project.
- The IESO is still considering the balance between stringent QP requirements and increased market participation and is seeking sector feedback. The implementation of rated criteria may be an approach to value directly applicable experience while still encouraging competition.

Potential Qualifying Project Types
Underwater HVDC
Underwater transmission
Underwater Linear Infrastructure
HVDC Cables

Qualifying Experience

- In developing the RFP, the IESO must define how experience, on a qualifying project, can be demonstrated.
- Organizational experience in underwater HVDC transmission projects that involved rights-based consultation within Treaty and traditional territories is limited, yet valuable.
- Broadening the methods to demonstrate experience is expected to result in increased ability to demonstrate the experience required to successfully deliver the TTL project.
- The IESO is still considering the balance between stringent requirements around the demonstration of experience and increased participation. The implementation of rated criteria may be an approach to value organizational experience while still encouraging competition.

Potential Approaches to Demonstrating Experience
Organizational Experience
Designated Team Member (equity position)
Designated Team Member
EPC Agreement

Potential Qualification Criteria – Underwater and Environmental Mitigation

Potential project qualification level: Experience developing, constructing and operating at least 2 Qualifying Projects, which could be defined as any underwater linear infrastructure project such as transmission, broadband, pipeline, etc., in Canada, US, UK, or EU, in respect of which:

- Commercial operation was achieved within the last 20 years;
- The Proponent successfully completed an Environmental Assessment or other equivalent regulatory process; and
- The Proponent has not been charged or convicted of an environmental offence.

Potential approaches to demonstrating experience: Designated Team Member experience (e.g. minimum 2 Directors/Officers with QP experience) or Organizational experience (e.g. Ownership of QP)

- Rated criteria points could also be considered to incentivize a higher level of experience while enabling participation from proponents with less experience

Potential Qualification Criteria - HVDC

Based on feedback received and further consideration, and to ensure a balance between ensuring sufficient capability while promoting competition, the IESO is seeking feedback on the following criteria for participating as a proponent:

Potential project qualification level: Experience developing, constructing and operating at least 1 Qualifying Project (defined as an HVDC transmission line in Canada, UK, US, or EU which has achieved commercial operation within the last 15 years)

Potential approaches to demonstrating experience: Designated Team Member experience (e.g. minimum 2 Directors/Officers with QP experience) or Organizational experience (e.g. Ownership of QP)

Potential Qualification Criteria – Indigenous Experience

The proposed approach being considered is intended to be responsive to feedback received, which emphasizes the importance of proponent experience with Indigenous engagement and rights-based consultation, while providing opportunities for broad transmitter participation:

Potential project qualification level: Experience carrying out Indigenous engagement and Consultation, including rights-based Consultation within Treaty and traditional territories, for at least 1 Qualifying Project

- Qualifying project could be defined as an energy linear infrastructure project in Canada which has achieved commercial operation within the last 10-15 years

Potential approach to demonstrating experience: Designated Team Member experience (e.g. minimum 2 Directors/Officers with QP experience), or Organizational experience

- Rated criteria points could also be considered to incentivize a higher level of experience while enabling participation from proponents with less experience

TTL Commercial Model Overview

- The Toronto Third Line is a first-of-its-kind project in Ontario, involving underwater HVDC infrastructure and associated technical, environmental, and delivery risks.
- Based on the project's unique risk profile, the IESO is proposing a commercial model that maintains contractual oversight over all capital costs, along with schedule commitments, ensuring bid comparability and accountability.
- Targeted cost adjustment mechanisms could apply to defined cost categories where the level of risk/uncertainty presents challenges for scoping and pricing at time of bid.
- The commercial framework under development aims to balance cost containment and flexibility, holding proponents accountable to their proposals while allowing transmitters to manage defined risks and uncertainties inherent in delivering a complex and unique-to-Ontario project.

Rationale for Proposed Contracting Approach

- To operationalize the TTL commercial model and support the goals of competition while protecting ratepayers, the IESO is proposing an approach that will clearly delineate capital and non-capital cost:
 - **Capital Cost Components** would be governed through the IESO contract and not examined by the OEB, creating a single point of contractual accountability and oversight for project delivery and capital cost changes
 - **Non-capital cost components** (operations, maintenance and sustaining capital) would be subject to OEB oversight
- This approach simplifies the oversight model, enabling the IESO to have oversight over the entirety of capital costs and associated changes within a single contractual framework. This minimizes the potential for cost shifting between IESO-reviewed costs and OEB-reviewed costs.
- Both capital and non-capital project costs will be recovered through the transmitter's OEB-approved revenue requirement, with the project treated as a rate-regulated asset once the IESO contract term concludes.

Contract Concepts for Discussion

The IESO recognizes the need for capital cost flexibility in certain categories of capital costs (“Capital Cost Components”). As the IESO works to develop RFP and contract terms aligned with overseeing all capital costs, feedback is being sought in regard to:

- Appropriate project breakdown into Capital Cost Components, and
- Appropriate implementation of cost containment, risk-sharing and cost relief mechanisms for each Capital Cost Component

The next slide outlines a proposal for dividing the TTL project into Capital Cost Components, followed by a discussion on potential cost containment mechanisms.

Proposed Division of Project Capital Costs

- The following table identifies which Capital Cost Components could be eligible for risk-sharing (based on the level of uncertainty/risk associated with the cost at the time of bid) through Target Pricing or other risk sharing/cost-relief contractual cost adjustment mechanisms (discussed on following slides).
- Non-capital costs are excluded from the TTL contract and will be overseen by the OEB as per existing transmission infrastructure.

Proposed Capital Cost Components Ineligible for Risk-Sharing	Proposed Capital Cost Components Eligible for Risk-Sharing
<ul style="list-style-type: none">• Engineering• Construction• Overland Materials & Equipment• Commissioning• Community/Municipal Engagement• Insurance• Contingency	<ul style="list-style-type: none">• Permitting & Licensing• Indigenous Consultation• HVDC Materials & Equipment• TTL Transmitter's Connection Costs• Project Management & Overhead

Cost Containment Options and Risk-Sharing

Cost containment, risk-sharing and cost relief mechanisms will be used to balance risks between ratepayers and the transmitter for certain Capital Cost Components. Design options include (but are not limited to):

- Ceiling Price
- Target Price
- Other Mechanisms (e.g. cost relief for capital cost increases resulting from certain unforeseen events/outcomes)

The IESO is open to using a combination of these options, or considering other suggestions, to achieve an appropriate balance of flexibility in cost discipline and risk sharing.

Cost Containment Options: Ceiling Price

Ceiling Price	
Overview	Transmitter bids in a “Ceiling Price” for certain Capital Cost Components within the contract, as pre-defined in the RFP. Costs up to the ceiling price may be approved under the contract. Any costs above the ceiling price are borne by the transmitter.
Evaluation	The ceiling price(s) provided will be included in the evaluation
Considerations	<ul style="list-style-type: none">• Offers cost certainty on pre-defined capital cost components• Encourages transmitter to impose strict risk management and cost discipline to avoid cost overruns• May encourage transmitter to sacrifice quality in order to stay under ceiling• Increased responsibility on IESO to understand costs in order to verify them, compared to a fixed price model• Requires more active cost reporting and forecasting compared to a fixed price model

Cost Containment Options: Target Price with Cost Sharing

Target Price with Cost Sharing

Overview	Transmitter bids in a “Target Price” for certain Capital Cost Components within the contract, as pre-defined in the RFP. The contract would establish a “Shared Amount” based on a pre-defined proportion of the difference (+/-) between the Transmitter’s actual costs incurred and the Target Price. The Shared Amount would be reflected in the Transmitter’s rate base at its initial revenue requirement application.
Evaluation	The Target Price(s) provided would be included in the RFP evaluation
Considerations	<ul style="list-style-type: none">• Encourages efficiencies, innovation, cost discipline• Offers moderate degree of category cost certainty and some flexibility• Transmitter and ratepayer incentives are aligned• Increased responsibility on IESO to understand costs in order to verify or challenge them, compared to a fixed price model• More active reporting and forecasting efforts required by Transmitter as compared to a fixed price model



TTL Procurement – Draft High-Level Term Sheet

Term Sheet

The IESO has developed a draft high-level term sheet which has been posted for stakeholder and community feedback; the term sheet covers:

- Term
- Capital Cost Components – Proposed Total Capital Cost and Total Capital Cost
- Completion and Performance Security
- Additional Sources of Government Support
- Transmitter's Initial Revenue Requirement Application and Transition to Rate Regulation
- Milestones
- IEPP Accountability
- Interconnection Costs
- Reports to Sponsor
- Consequences for Non-Compliance: Liquidated Damages and Termination
- Force Majeure and System Conditions

Commercial Contract - COD+1

- Building from the concepts discussed at the last engagement, the IESO is proposing a TTL procurement contract which would span from TTL selection through to 1 year following Commercial Operation ("COD+1").
- The COD+1 contract is designed to oversee the most notable areas of project delivery risk for the TTL – namely the development, permitting, and construction/commissioning activities.
- The COD+1 contract will also seek to ensure that Indigenous participation commitments are delivered on.

Capital Cost Components (1)

- The RFP will require that Proponents submit an amount for the Proposed Total Capital Cost.
- The RFP will specify the allowable adjustment mechanisms for certain specified Capital Cost Components (i.e. those cost components which are unable to be reasonably predicted/'locked-in' at time of bid).
- Further to the cost containment and risk-sharing options presented in the previous slides, the IESO is considering the ideal cost-adjustment mechanism(s) to balance risks appropriately between ratepayers and transmitters.
- The IESO is also considering which cost-adjustment mechanisms(s), if any, should apply to each Capital Cost Components.

Capital Cost Components (2)

- Based on the allowable adjustment mechanism(s) and associated Capital Cost Components eligible for adjustment, the Proposed Total Capital Cost would be updated based on the transmitter's actual incurred costs (for the categories subject to allowable adjustment), and would form the Total Capital Cost.
- The Total Capital Cost would be included in the initial annual revenue requirement application to the OEB and accepted by the OEB without scrutiny.
- Other non-capital cost categories (e.g. O&M costs) would continue to be subject to the OEB's 'just and reasonable' prudence review.

Milestones

The term sheet proposes the following contractual milestones, as further defined on the next few slides:

- Development Completion ("MDev")
- Pre-Construction Completion ("MPC")
- Commercial Operation ("MCO")

Milestones – Development Completion (“MDev”)

Within a specified number of months following contract execution, the transmitter must confirm to the IESO completion of the following:

- Independent Engineer sign-off (via Prescribed Form) on specified facility-design details
- Baseline project documents (e.g. detailed project schedule, engineering design, single-line diagram)
- Evidence the transmitter has entered into manufacturer booking agreements for key components
- Permitting plan
- Confirmation that transmitter has obtained OEB license
- Updated cost estimates for all Capital Cost Components

Milestones - Pre-Construction Completion ("MPC")

Within a specified number of months following contract execution, the transmitter must confirm to the IESO completion of the following:

- Independent Engineer sign-off (via Prescribed Form) on final facility-design details
- Evidence that transmitter has obtained all material project permits and land rights
- Confirmation that transmitter has entered into all material project agreements required for construction (i.e. engineering, procurement, and construction agreements) and that schedules or deadlines are consistent with a project construction schedule that will enable commercial operation to be completed by the milestone date for commercial operation (MCOB)
- Updated to baseline project documents provided at MDev and current cost estimates for all Capital Cost Components, with supporting evidence for changes

Milestones - Commercial Operation ("MCOD")

Within a specified number of months following contract execution, the transmitter must confirm to the IESO completion of the following:

- Independent Engineer sign off (via Prescribed Form), providing:
 - Final single line diagram
 - Sign-off that the Facility has been completed satisfactorily and in a manner that meets the required specifications
 - Confirmation that the Facility is synchronized to the IESO-Controlled Grid and the full capacity of the Facility is available for service
 - Evidence that the Transmitter has entered into operations and maintenance agreements

Performance Security

- The contracted Transmitter will be required to provide Completion and Performance Security.
- The initial Completion and Performance Security will be based on the Proposal Security provided as part of the RFP proposal; the amount of Security is still to be confirmed, but is expected to be in the range of ~3% of project capital costs.
- The Completion and Performance Security amount is expected to change based on which phase of the project the transmitter is in.

IEPP Accountability

- IEPPs will form an important component of the RFP and proponent selection; as such, the IESO contract will hold the transmitter accountable for commitments set out in the IEPP by requiring the transmitter to publish its IEPP commitments and progress made towards meeting them.
- The IESO will also have the right to publish the transmitter's IEPP, audit the transmitter's efforts to fulfill its IEPP commitments, and publish the transmitter's progress towards meeting its commitments.
- The IESO continues to explore other contractual accountability mechanisms, and welcomes feedback.

Consequences for Non-Compliance: Liquidated Damages

- If MDev or MPC milestones have not been met by the specified milestone dates in the contract, the transmitter will be required to pay liquidated damages for each day until the milestone requirements have been met.
- In addition, liquidated damages will be required to be paid for each day past the MCOD milestone in the event MCOD requirements have not been met by the specified date.
- The amount of per-day liquidated damages required to be paid by the transmitter would be increased if the milestone requirements have continued to have not been met once a specified number of days have elapsed past the contract milestone date.

Consequences for Non-Compliance: Termination

- The IESO will propose to include termination rights associated with standard IESO resource contracts (e.g. LT2).
- In addition, the IESO is proposing an IESO termination right for Transmitter Events of Default where the Development and Pre-Construction milestones have been missed by a specified number of months.
- The IESO is also proposing an IESO right to termination in the event that commercial operation is not achieved by a Longstop Date that is a specified number of years following MCOD.
- Delays associated with force majeure or system-conditions would not trigger termination rights, as milestone dates would be eligible to be adjusted accordingly.



Regulatory Update

Regulatory Update – Reviewing the LTC Requirement for TTL

- IESO and OEB have collaborated to assess impacts of the TTL procurement on related regulatory processes, including the Leave to Construct (LTC) requirement under the OEB Act.
 - Obtaining LTC is a requirement for most new transmission, where the OEB determines whether a project is in the public interest by evaluating its impact on the interests of consumers with respect to price, reliability, and quality of service, and supporting economic growth in a manner consistent with Ontario government policy.
- The IESO and OEB are exploring whether to recommend the elimination of the Leave to Construct LTC process, supported by defined pre-construction milestones in the IESO contract



Discussion and Next Steps

Discussion Questions

1. How should the IESO structure its experience requirements for HVDC, underwater and Indigenous engagement/consultation experience? How should the IESO define a qualifying project?
2. What feedback do you have on the proposed division of costs between those that should be eligible for risk-sharing and those that should be ineligible?
 - Are all major activities appropriately captured and is the level of detail sufficient? Should any categories be further subdivided – for example, should 'Construction' be broken out into site remediation, cable placement, and other specific activities?
3. What feedback do you have on the proposed cost-containment and risk-sharing mechanisms? Are there additional mechanisms we should consider? Which mechanisms should apply to which Capital Cost Components?
4. Does the draft high-level term sheet capture the key commercial terms and concepts to enable your organization/community to have a high-level understanding of the structure of the TTL procurement contract?

Next Steps

- The IESO invites written feedback by **April 23, 2026**.
- All written feedback should be submitted to engagement@ieso.ca using the RFP and Contract Feedback Table and the IESO Feedback Form, which is posted on the engagement webpage.
- The IESO continues to welcome the opportunity to meet 1-on-1 with Indigenous communities – please reach out to IndigenousRelations@ieso.ca if you would like to set up a meeting to discuss the TTL procurement.
- The IESO will look to hold the next TTL procurement engagement session in **May/June 2026**, where the IESO will plan to engage on refined RFP and contract concepts and documents.

Thank You

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