
Toronto Third Line Procurement

Proposed Procurement Design Features to Support
Meaningful Indigenous Engagement and Participation

July 20, 2026



Disclaimer

The statements and information contained in this document are based on the proposed design of the Toronto Third Line (“TTL”) Request for Proposals (“RFP”) as of the date of this document and remain subject to amendment. This document is intended for discussion purposes only and is being disseminated for the purpose of obtaining feedback from Indigenous communities and organizations on the proposals contained herein. Nothing in this document or the dissemination thereof obligates the IESO to continue or conduct the procurement process contemplated herein, or any other procurement process. Nothing in this document constitutes, nor shall it be construed to constitute, an agreement, guarantee, representation, or warranty, express or implied, on behalf of the IESO. The IESO provides no such agreement, guarantee, representation, or warranty and disclaims any and all liability associated therewith.

Version Control Table

Version	Purpose of Version	Date
Version 1	Initial draft for Indigenous community discussion/ awareness	July 20, 2026

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1. Summary

The IESO has prepared this document to build awareness and seek Indigenous community and stakeholder input on potential Indigenous participation design features in the procurement for the Toronto Third Line (“TTL”). The development of the TTL procurement will include a Request for Proposals (“RFP”) and a commercial contract (the “Contract”).

On June 18, 2026, the IESO was issued a [Directive](#) from the Minister of Energy and Mines (“the Directive”) which set the policy requirements for the TTL procurement, and the high-level design parameters of the RFP and Contract.

In response to the Directive, the IESO has produced [Draft #1 of the TTL RFP](#) for Indigenous community and stakeholder feedback. There are two broad areas that impact Indigenous engagement and participation:

- proponent experience requirements, including a requirement that proponents demonstrate experience working with Indigenous communities in Canada throughout the development of an infrastructure project within Treaty or traditional territories, including project-related engagement and rights-based consultation; and
- components of the Indigenous Engagement and Participation Plan (“IEPP”), including proponent commitments to economic participation opportunities and experience establishing economic participation and benefit arrangements with multiple Indigenous communities.

The IESO is also considering design features that encourage outcomes where economic benefits from the TTL Project flow to First Nations on the Ministry of Energy and Mines’ engagement list (“Engagement List Communities”).

Capitalized terms not defined in this document are defined within the TTL RFP Draft #1. In this document, the term “proponent” refers to an entity submitting a proposal to the TTL RFP. The term “transmitter” refers to the successful proponent that will enter into the TTL Contract with the IESO.

2. Proponent Experience Requirements

In response to the Directive, the IESO has proposed that the RFP require proponents to demonstrate experience in the following categories:

- **Indigenous Engagement and Consultation Experience:** Experience carrying out Indigenous engagement and consultation, including rights-based consultation within Treaty and traditional territories, for at least one Qualifying Infrastructure Project in Canada. A Qualifying Infrastructure Project is proposed to be any new-build energy or linear infrastructure project which has achieved commercial operation within 10 years prior to the RFP Proposal Submission Deadline.

- **Underwater Transmission Experience:** Experience developing, financing, and constructing a Qualifying Underwater Transmission Project. A Qualifying Underwater Transmission Project is proposed to be any new-build project with a minimum length of 10 km underwater, a minimum voltage of 200 kV AC or ± 200 kV DC, and a commercial operation date no more than 20 years prior to the RFP Proposal Submission Deadline, or, the project is under construction and expected to achieve commercial operation before January 1, 2030.
- **High Voltage Direct Current (HVDC) Experience:** Experience developing, financing, and constructing a Qualifying HVDC Transmission Project. A Qualifying HVDC Transmission Project is proposed to be any new-build project that has a minimum length of 10 km, a minimum voltage of ± 200 kV DC, and a commercial operation date no more than 20 years prior to the RFP Proposal Submission Deadline, or, the project is under construction and expected to achieve commercial operation before January 1, 2030.

In response to feedback, HVDC and underwater transmission experience are proposed to be demonstrated by the proponent, or a Proponent Group Member, at an organizational level, and through one or more qualifying projects – that is, a single project can be used to demonstrate experience in more than one experience category as long as it meets the qualifying criteria for each. Demonstration at the organizational level means the proponent would have to show that it, or a Proponent Group Member, owned an interest in the relevant qualifying project at the time that the development, financing and construction activities were carried out.

For Indigenous engagement and consultation experience, the IESO is considering that instead of the experience being demonstrated solely at the proponent or proponent group level, it may be demonstrated at the team member level. Demonstration at a team member level means the proponent would have to show that the individuals on its team collectively possesses sufficient past experience establishing and maintaining meaningful partnerships with Indigenous communities in Ontario. Considerations include:

- Effective Indigenous engagement is relationship-based and people-driven, and often led by specific individuals with lived experience, trust, and established community relationships.
- Strong engagement outcomes may depend less on corporate precedent and more on the skills, credibility, and approach of the individuals leading that work.
- Types of experience that could be considered at the team member level could include a combination of on-the-ground experience, Indigenous advisors, and other specialists with demonstrated experience in working with Indigenous communities in Ontario.
- Proponents must also demonstrate at least one team member whose experience is being relied on for Indigenous engagement is designated as a Director/Officer of the proponent-entity, and as such are sufficiently supported by the organization with the authority, resources, and access to decision makers necessary to make and fulfill commitments throughout the project.

The IESO is seeking feedback on the following questions:

- Should Indigenous engagement and consultation experience be demonstrated at the organizational level, or the team-member level?

- What types of team-member level experience should be considered (e.g. on-the-ground; Indigenous advisors; other Indigenous consultation and engagement specialists)?
- What evidence would best demonstrate a proponent's ability to meaningfully engage with Indigenous communities?
- Are there additional qualifications that should be considered?

3. Indigenous Engagement and Participation Plan (IEPP)

Per the Directive, to achieve the objective of enabling a flexible approach to Indigenous participation, the RFP will require that TTL proponents develop and submit an Indigenous Engagement and Participation Plan ("IEPP") as a component of their RFP proposal. The IEPP would describe how a proponent intends to:

- Engage with Engagement List Communities prior to and following key TTL project decisions,
- Support community participation in engagement through capacity funding,
- Commit to economic participation opportunities for communities from among Engagement List Communities, with a requirement for any equity and non-equity commitments to be identified in the Plan, and
- Support Indigenous communities in accessing and navigating equity and non-equity economic participation opportunities.

Also, per the Directive, and based on the information provided by proponents in the IEPP, the IESO will also evaluate and recognize proponents that are able to:

- Demonstrate a record of establishing economic participation and benefit arrangements with multiple Indigenous communities throughout the development of an infrastructure project; and
- Commit to offering certain levels of economic participation opportunities in the Project to Indigenous communities.

For clarity, the IEPP is not intended to provide consent determination, or substitute for Crown consultation. The IEPP is intended to support a range of participation options reflecting the priorities of individual communities. These may include equity ownership, employment, training, capacity funding, procurement opportunities, partnership agreements, and other project-related benefits. No single form of participation is expected or preferred for all communities. This document will continue to evolve in step with discussions between the IESO and Indigenous communities.

3.1 Goals of the IEPP

The IESO has identified the following goals for the IEPP:

- Support economic reconciliation by ensuring communities from among the Engagement List Communities are provided with meaningful opportunities to economically participate.
- Recognize and respond to the need for engagement with Engagement List Communities at an early stage in project development, and throughout the lifecycle of the project.
- Provide accountability mechanisms to support fulfillment of transmitter commitments.
- Enable flexible participation options that can be tailored to individual community priorities and needs, including both equity and non-equity participation opportunities.
- Provide capacity funding, in forms that reflect community needs and timelines, to Engagement List Communities to support engagement.
- Avoid scenarios where Indigenous communities are “pitted against each other” in a competition by being exclusively bound to a particular transmitter.

The IESO is seeking feedback on the following question: Are there any additional goals that you think the IESO should aim to achieve?

3.2 Features of the IEPP and Potential Evaluation Approaches

In response to the Directive, some of the components of the IEPP would correspond with mandatory criteria, which all proponents would be required to demonstrate, and some of the components would correspond with rated criteria, which provide incentives in the form of additional points in the proposal evaluation.

The tables below outline how the IEPP is proposed to be considered as part of proposal evaluation through a mix of mandatory and rated criteria.

Table 1 | Evaluation Approach

Criterion	Approach
Mandatory Criteria Establish a baseline to ensure all proposals meet core expectations for engagement and participation.	✓ Some degree of economic commitment and a plan to support communities in accessing opportunities ✓ Engagement plan and public timeline; Notification to all Engagement List Communities ✓ Capacity funding
Rated Criteria Provide incentives to reward higher levels of economic commitments and recognize proven capability.	+ Higher levels of equity participation (ownership) + Higher levels of non-equity commitments (procurement, jobs, training, project-specific agreements) + Proven experience delivering partnerships

3.3 Potential RFP Mandatory Criteria

Mandatory criteria are evaluated on a pass/fail basis in order to meet the requirements of objectivity and transparency in proposal evaluation. Failure to meet a mandatory criterion will result in proposal disqualification.

Table 2 | Potential Mandatory Criteria

Criterion	Rationale
Submission of a completed IEPP with all required fields	An IEPP, and the associated engagement plan and economic commitments contained within, are essential elements of a successful TTL project.
Within the IEPP, a narrative summary of the proponent's plan and timelines for engagement of Engagement List Communities, describing how engagement would occur prior to and following key project decisions	Helps ensure the proponent has considered Indigenous engagement components of project delivery at all stages of project development and how those relate to key project milestones. Proponents will also be required to post this on their website, to ensure Engagement List Communities have visibility into each proponent's plan.
Early engagement notification	The TTL IEPP should promote early Indigenous engagement by proponents, and communities need to understand introductory information about who each proponent is, what their proposal looks like, and how to reach them.
Evidence that capacity funding was offered for any engagements with Engagement List Communities that occurred prior to proposal submission	Capacity funding is essential to enable communities to meaningfully participate in engagements with the proponents on proposal development. The transmitter will also be contractually required to continue to offer capacity funding to Engagement List Communities it engages within the term of the TTL Contract.
The proponent's economic commitments to communities from among Engagement List Communities, including any equity participation and non-equity commitments	Indigenous economic participation in the TTL is essential to promote economic reconciliation, foster Indigenous participation in the energy sector, and ensure project success. Equity is often identified by Indigenous communities as the preferred type of economic benefit as it gives the communities an opportunity to share in the long-term economic value generated by the project. For some Indigenous communities, equity participation may not be the preferred form of economic benefit. No community would be expected to pursue equity participation if it does not align with its priorities. Non-equity benefits, such as employment, training and supply chain opportunities, can provide flexibility to communities to access benefits in the form that works best for them.

Plan to support Indigenous communities in accessing equity and non-equity economic participation opportunities	Supporting Indigenous communities to pursue economic participation strengthens community capacity to participate in and benefit from development in ways that align with community priorities and self-determined goals.
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3.4 Potential RFP Rated Criteria

Rated criteria points are a way to incentivize certain outcomes by awarding additional points in the RFP evaluation for proponents that can demonstrate that a particular criterion is met. Proponents can elect which rated criteria, if any, they wish to demonstrate. Rated criteria points can be awarded in two ways:

- A certain specified number of points can be awarded where a proponent demonstrates that the criterion associated with that number of points has been met; or
- Proponents' proposals can be ranked against each other, and a certain specified number of points can be awarded depending on where each proposal stacks up in the ranking.

Table 3 | Potential Rated Criteria

Criterion	Proposed Evaluation Method
Amount (%) of equity that will be offered to communities from among the Engagement List Communities	Points could be awarded based on banded ranges of equity and non-equity or ranked based on the relative level of equity or non-equity offered by each proponent. Equity refers to economic interest in the project that the proponent has committed to offering Engagement List Communities (or their holding vehicles). Non-equity benefits can include but are not limited to employment, training, and supply chain opportunities. Equity and non-equity commitments are important since they can provide flexibility to communities to access benefits in the form that works best for them. The IESO is seeking feedback with respect to which approach is best suited to promote higher levels of equity and/or non-equity commitments, while differentiating proponents based on the levels of commitments they propose.
Total proposed expenditure (% of total capital cost) on non-equity, project-related benefits for communities from among the Engagement List Communities	
Experience delivering Indigenous economic participation and benefit arrangements with multiple Indigenous communities throughout the development of an infrastructure project	Points could be awarded to evidence experience delivering Indigenous economic participation and benefits arrangements. The IESO is seeking feedback on the most appropriate way for proponents to demonstrate experience establishing equity or non-equity economic participation and benefit arrangements with Indigenous communities, including whether letters of reference are an effective form of evidence and whether alternative forms of documentation should be considered.

The IESO is seeking feedback on the following questions:

- What approach would best promote higher levels of equity and/or non-equity commitments while differentiating proponents based on the commitments they propose?
- How should proponents demonstrate experience establishing equity or non-equity economic participation and benefit arrangements with Indigenous communities? Are letters of reference an effective form of evidence, or should alternative forms of documentation be considered?

The transmitter will not be incented to offer economic benefits to Indigenous communities that are not Engagement List Communities. The Crown may amend the list of Engagement List Communities throughout project development based on new information that becomes available during the consultation process pursuant to the Crown's duty to consult.

The IESO does not require proponents to explain in their proposals how they would divide equity and non-equity commitments from their IEPP among Engagement List Communities and will not evaluate this. This is because at the time of proposal submission, the project route will not have been established yet, and the consultation process will not have occurred, so the transmitter will not have a complete picture of the project impacts and their potential effects on communities.

The IESO expects the transmitter to decide which Engagement List Communities will receive economic benefits after engagement is complete, using information gathered during the engagement process to inform that decision. To align with the TTL Directive, proponents will be prohibited from binding Engagement List Communities by exclusivity arrangements at time of bid that would prevent those communities from accessing economic participation opportunities with the successful transmitter. This will ensure that Engagement List Communities have access to these opportunities regardless of which transmitter is selected.

3.5 Potential Contractual Enforcement Features

The TTL Contract between the IESO and the successful transmitter will contain mechanisms to hold the transmitter accountable for the commitments made in its IEPP.

Table 4 | Potential Contractual Enforcement

Dimension	Potential Enforcement Mechanism
Enforcement of equity commitments	• Required progress reporting on fulfillment of equity offers, and requirement to publicly disclose progress towards achieving the equity participation level contained in the commitment • Ability for IESO to audit progress reports
Enforcement of non-equity project-related spending commitments	• Required progress reporting on spending levels, and requirement to publicly disclose total expenditures/progress towards commitments

(for example, training and employment, supply chain opportunities, etc.)	• Ability for IESO to audit progress reports • Potential for reduction in allowable recoverable capital cost amounts in the event of an underspend by the transmitter by a specified deadline
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Note that the Directive also specifies that the TTL Contract must require the transmitter to carry out the Indigenous consultation requirements specified by the Ministry of Energy and Mines.

The IESO is seeking feedback on the following question: What other enforcement mechanisms should the IESO consider utilizing?

3.6 IEPP in Context of the Project Development Process

Figure 1 below illustrates how the IEPP is expected to fit within the RFP, evaluation, and project development processes. Figure 2 illustrates the overall procurement timelines for the TTL.

Figure 1 – IEPP Illustrative Process

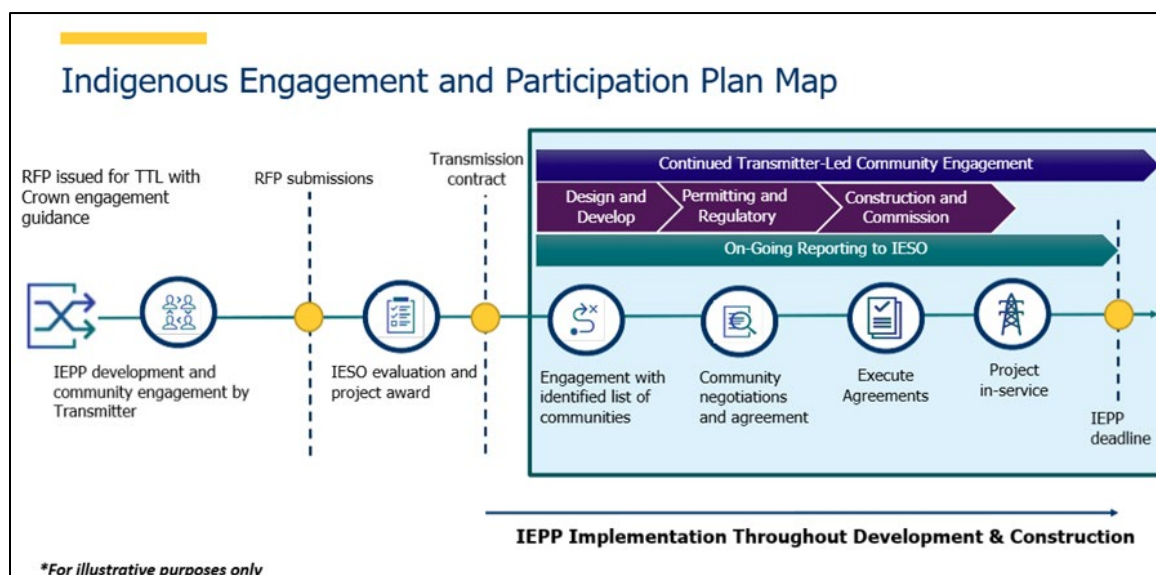
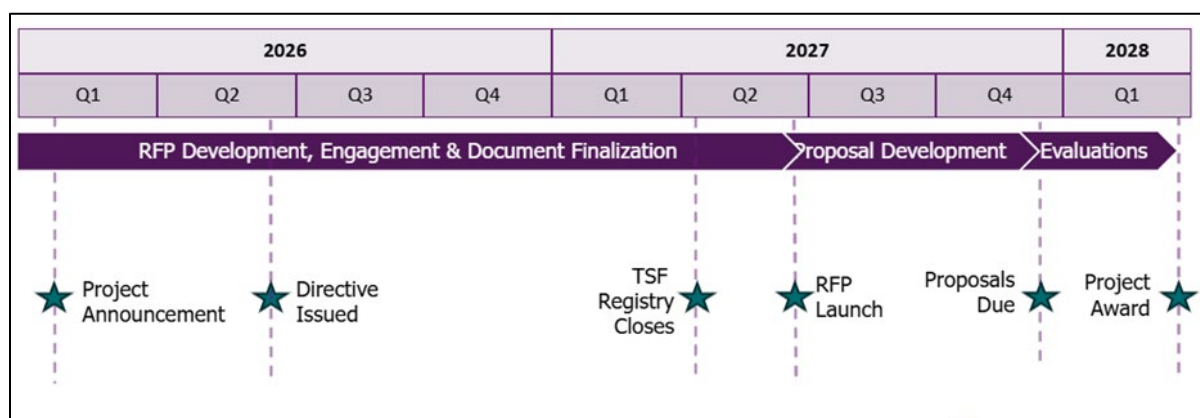


Figure 2 – Current TTL Procurement Timelines (July 2026)



Appendix 1 – Frequently Asked Questions

1. How are Indigenous communities being engaged on the design of the TTL procurement?

The IESO is committed to ongoing, meaningful engagement with Indigenous communities. This includes providing information, seeking feedback on procurement design, and offering opportunities for participation in the procurement design process through various engagement formats.

To support Indigenous community awareness and engagement, the IESO has compiled this document and welcomes feedback or suggestions regarding other materials or information that could be provided to enable Indigenous community participation in the design of the TTL procurement.

2. Who is responsible for Indigenous consultation?

The duty to consult Indigenous communities rests with the Crown. Rights-based consultation requirements and responsibilities will be defined by the Ministry of Energy and Mines and delegated to for the successful proponent/transmitter, TTL as the project progresses.

The IESO's role is to engage with communities on procurement design and project-related information. For certainty, nothing in the IEPP or procurement process removes or replaces the Crown's duty to consult.

3. How will the IESO ensure the proponent has the experience necessary to properly engage and consult with Indigenous communities?

On June 18, 2026, the IESO received the Minister's Directive affirming the government's intention for the IESO to design and launch the TTL procurement. The Directive included policy requirements for the TTL procurement, and the high-level design parameters of the RFP and Contract, including requirements related to Indigenous project experience and Indigenous economic participation.

To balance meaningful experience with competition, and in response to the Directive, the IESO is considering a flexible approach that has both mandatory requirements and incentives for Indigenous engagement and consultation experience. Refer to Sections 2 and 3 of this document for details.

If you have feedback about the IEPP, experience requirements or rated criteria points, please submit it following public engagement sessions. The IESO also plans to engage directly with Indigenous communities about these RFP design elements in future Indigenous-only focused webinars.

4. Who is acting on behalf of the Crown throughout this RFP development process? What are the Crown's expectations for proponents regarding Indigenous consultation and consent?

The Crown (as represented by the Ministry of Energy and Mines) conducted early rights-based consultation directly with First Nations whose rights or interests are potentially impacted by the Ministry's proposal to issue an Order in Council (OIC) and Minister's Directive to the IESO to undertake a competitive procurement process and then enter into a procurement contract with a transmitter to build and operate the TTL project.

It is anticipated that the Ministry will develop early guidance on Indigenous engagement and consultation, which will be provided to proponents through the RFP process.

The Ministry, on behalf of the Crown, plans to delegate the procedural aspects of consultation to the successful transmitter further to its role in the Class Environmental Assessment for Transmission Facilities, following conclusion of the IESO's procurement process and entry into the TTL Contract. The Crown's expectations for the transmitter regarding rights-based consultation with potentially impacted Indigenous communities will be communicated at the time of delegation.

5. Do you plan to engage with hereditary chiefs of affected First Nations, the elected councils or both? Will proponents be expected to do the same?

The Ministry of Energy and Mines has shared with the IESO a preliminary engagement list for the TTL. This list, which is subject to change, identifies elected council and/or hereditary leadership, as appropriate, and was included in the IESO's January 28th, 2026 webinar material. The IESO plans to engage with all communities on this list.

The Ministry, on behalf of the Crown, plans to delegate the procedural aspects of consultation to the successful transmitter further to its role in the Class Environmental Assessment for Transmission Facilities, following conclusion of the IESO's procurement process and entry into the TTL Contract. The Crown's expectations for the proponent regarding rights-based consultation with potentially impacted Indigenous communities will be communicated at the time of delegation.

6. Will there be any supports provided to Indigenous communities whose rights or traditional territories have the potential to be affected by this project?

The IESO intends to require that proponents submitting proposals to the RFP offer capacity funding to communities engaged as part of their proposal preparation, and the successful transmitter will be required to continue providing reasonable capacity funding for ongoing engagements and consultations throughout project development for the term of the TTL Contract.

7. Can rights-holding communities participate in the TTL RFP evaluation?

To preserve the integrity of the procurement process and adhere to confidentiality requirements, only IESO evaluators can evaluate RFP proposals. RFP proposals will be evaluated in an objective and transparent manner based on the established RFP criteria. RFP criteria will be developed transparently and publicly, based on the input of Indigenous communities and subject to policy direction.

While communities will not score and evaluate proposals, feedback shared during the engagement will help inform how the RFP is designed and how commitments are structured.

Appendix 2 – Sector Roles and Responsibilities

Ministry of Energy and Mines

The Ministry sets the overall direction for Ontario’s energy system. It develops provincial energy policy and issues ministerial directives that guide electricity planning, procurement, and long-term supply decisions. Through this role, the Ministry ensures the energy sector aligns with government priorities and future needs. The Ministry, on behalf of the Crown, also holds the duty to consult and upholds the honor of the Crown.

IESO

The Independent Electricity System Operator (IESO) is a not-for-profit entity responsible for managing the grid in real-time, planning for the future by forecasting demand, and securing the resources required to meet Ontario’s energy needs. The IESO also oversees the electricity market and drives competitive process to support affordability. In carrying out this work, the IESO engages with Indigenous communities to provide information, propose approaches, and solicit input.

Ontario Energy Board

The Ontario Energy Board (OEB) regulates the province’s energy sector to protect consumers and ensure reliable service.

It licenses electricity companies, sets rates, and reviews utility investments to make sure costs are reasonable. The OEB also oversees regional planning to support a safe, efficient electricity system across Ontario.

Transmitters

Transmitters move electricity across the province through high voltage transmission lines. Transmitters own, manage and maintain the backbone of Ontario’s electricity system, transporting power from generating stations to major city centres and local utilities. Their work ensures electricity can travel efficiently and safely over long distances. Proponents of the TTL procurement will be qualified transmitters which meet minimum eligibility requirements which will be defined within the TTL RFP.

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