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Competitive Transmission Procurement: Toronto Third Line Contract Design Update

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Territory Acknowledgement

The IESO acknowledges that Toronto is the traditional territory of many nations, including the Mississaugas of the Credit, the Anishinabeg, 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 signed with the Mississaugas of the Credit First Nation, and the Williams Treaties signed with multiple Mississaugas and Chippewa bands.

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

Provide updates and seek feedback on key elements to inform the design of the Toronto Third Line (TTL) procurement, including:

- The draft TTL Contract ([available online](#))
- The preliminary System-Level Functional Requirements
- The Indigenous Engagement and Participation Design Features [document](#), which seeks to build awareness and gather feedback on potential Indigenous participation design features for the TTL procurement

Indigenous community and stakeholder feedback will help inform the ongoing development of the procurement and supporting documents.

Agenda

1. Toronto Third Line (TTL) Procurement – Current Status, Timelines, and Updated Engagement Plan
2. Engagement Feedback
3. Toronto Third Line Procurement Design:
 - Contract Draft #1
 - Indigenous Engagement & Participation Plan (IEPP)
4. System-Level Requirements Update
5. Discussion & Next Steps

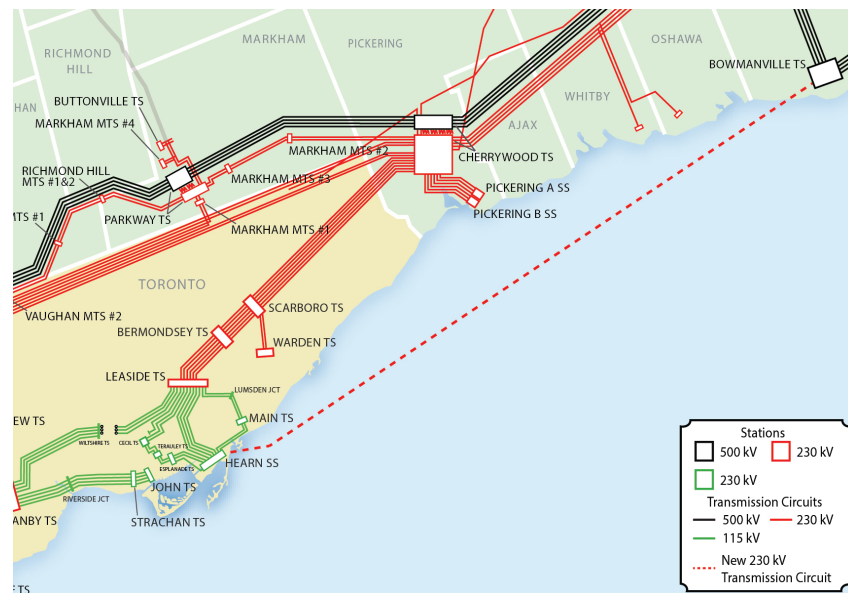
Recap - Toronto Third Line (TTL)

The 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). On June 18, 2026 the government issued a [Directive](#) to the IESO to undertake a procurement to select a transmitter for the TTL.

The TTL will be approximately 65km, connecting Bowmanville SS (Clarington) to Hearn SS (Downtown Toronto).

The procurement process will select a transmitter. The successful transmitter will be responsible for route development, including but not limited to permitting and regulatory approvals, and Indigenous consultation.



Map for illustrative purposes only; route/siting are subject to transmitter-led development work and regulatory approvals

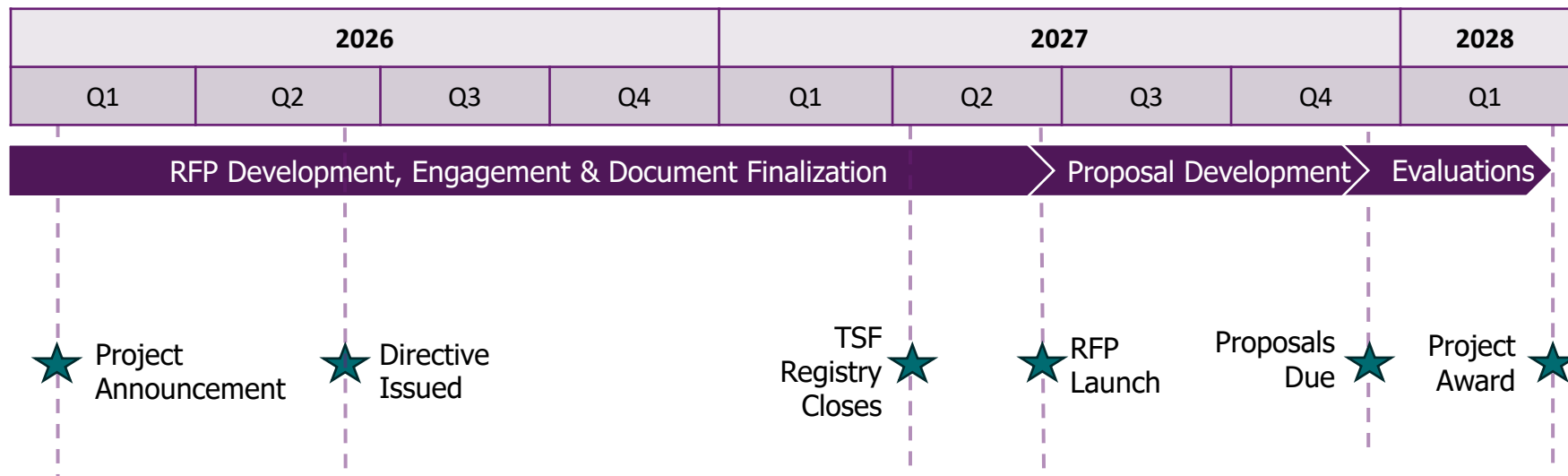
Recap - Minister's TTL Directive

A **Directive** was issued on June 18, 2026, with the following policy direction:

- **Technical Capability:** Proponents must demonstrate experience developing, financing and constructing HVDC and underwater transmission infrastructure, and the ability to work with experienced HVDC OEMs.
- **Indigenous Engagement Experience:** Proponents must demonstrate experience working with Indigenous communities throughout project development, including rights-based consultation within Treaty and traditional territories.
- **Project Delivery & Accountability:** Contract requirements will include cost containment mechanisms, adherence to a 2037 in-service date, Indigenous consultation obligations, and compliance with environmental requirements.
- **Evaluation Criteria:** Rated criteria must recognize Indigenous economic commitments, demonstrated Indigenous partnership experience and higher levels of domestic content commitments.

Recap - Procurement Timeline for Toronto Third Line

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



The timeline illustrates the RFP process from 2026 to 2027. Key milestones include the Ministry Announcement in January 2026, the issuance of the Directive in August 2026, and the launch of the RFP & Procurement Process in January 2027. The process involves several webinars, drafts of RFPs, functional requirements, contracts, and guidance documents, culminating in the posting of final documents in February 2027.

2026				2027	
Q1	Q2	Q3	Q4	Q1	Q2
January Webinar	April Webinar	June Webinar	August Webinar	Webinar (Date TBD)	Webinar (Date TBD)
		September Webinar	October Webinar	December Webinar	Webinar (Date TBD)
	Draft RFP V1	Draft RFP V2	Draft DC Functional Requirements	Draft RFP V3	Draft V3 of all documents
	Draft Contract V1	Draft System-Level Requirements	Draft IEPP Guidance Document	Draft Contract V2	Draft IEPP Guidance Document
					Final Documents Posted

Updated TTL Engagement Roadmap & Participation Opportunities

Timing	Engagement Activity	Stakeholder / Community Action
September 2026	Share an update regarding cost containment; Respond to feedback on cost containment concepts	Review cost containment concepts and share feedback; Validate technical assumptions, provide input on feasibility and constructability
Q2-Q4 2026	Continue engagement on the <i>Indigenous Design Features Discussion Document</i> and facilitate 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; Incorporate community feedback and perspectives
Q3-Q4 2026	Continued engagement sessions on draft procurement documents and functional requirements	Review updated draft materials; Submit formal feedback
Q1-Q2 2027	Engagement sessions on refinements to procurement design	Provide feedback on proposed updates; Confirm alignment with expectations
Q2 2027	Communication of final procurement design and next steps	Prepare for procurement participation; TSF-R close
Q2 2027	RFP launch and formal procurement process	Proponents develop and prepare to submit bids (by ~Q4 2027)



June 25 Feedback

General Feedback Received (1)

Theme	What We Heard
Canadian Content Rated Criteria	• Support for rated criteria to incentivize Canadian content. • Feedback highlighted opportunities for Canadian participation in project delivery, construction, engineering, services and Indigenous engagement. • Concerns were raised about requirements for HVDC equipment since it could reduce competition, limit access to qualified supplies and increase costs.
OEM Partnerships and Technical Capability Evidence	• Views differ on whether OEM evidence should be mandatory or rated; there is a need to balance evidence of credible supply-chain access and delivery readiness against the potential competitive implications of requiring early OEM commitments. • Comments supporting additional requirements suggested that evidence such as OEM support letters, manufacturing schedules, partnership agreements, and recent collaboration would provide greater confidence in delivery readiness and better reflect the importance of current HVDC experience. • Comments opposing additional requirements noted that early OEM commitments could reduce competition, limit flexibility, distort supplier markets, and increase the influence of a small number of specialized suppliers.
Organizational and Project Delivery Experience	• General support for experience related to HVDC and underwater transmission. • Feedback differed on how experience should be assessed: at the organizational level or experience of individuals, and the importance of recent project experience.

General Feedback Received (2)

Theme	What We Heard
Indigenous Project Experience Requirements	• Strong support for requiring Indigenous engagement experience. • Received a range of views on how Indigenous experience should be evaluated. • Feedback in favour of organizational-level experience emphasized the importance of demonstrating a proven track record of rights-based engagement and long-term relationship management with Indigenous communities. • Feedback supporting team-level experience highlighted the value of recognizing individual expertise, maintaining competition, and allowing proponents to leverage specialized Indigenous engagement resources.
Indigenous Engagement and Participation Plan	• Support for evaluating proponents based on the quality of their proposed Indigenous Engagement and Participation Plan. • A range of views on the details that should be included; importance of offering a range of participation models and ensuring accountability and implementation of the commitments.
Indigenous Participation Experience Evaluation	• Support for evaluating proponents based on demonstrated history of successful Indigenous partnerships. Respondents flagged this was an important criterion. • Feedback emphasized assessing the quality, outcomes, and credibility of past Indigenous participation and proposed commitments, including Indigenous ownership, governance, economic benefits, and long-term relationship building.

General Feedback Received (3)

Theme	What We Heard
Overall Procurement Approach	• Feedback generally supported the development of a competitive procurement framework for the Toronto Third Line. • Concerns were raised that the current approach may place too much emphasis on evaluated price and cost certainty relative to delivery capability, development maturity and project risk. • Recommendations were made for the procurement to assess schedule confidence, delivery readiness, and the proponent's ability to manage project risks.
More Information	• Respondents requested more information related to the procurement framework, including cost-containment mechanisms, evaluation criteria, technical requirements, risk allocation, contract terms, and schedules.
Current Level of Cost Certainty	• Concerns have been shared that there is a misalignment between the current stage of project definition and the level of cost certainty. • Route optimization, ground and lakebed conditions, permitting requirements, environmental assessments, Indigenous consultation outcomes, and key technical specifications remain subject to further development, which may impact pricing bids based on materially different assumptions.

General Feedback Received (4)

Theme	What We Heard
Cost Categories and Cost Containment Mechanisms	• General support for a clear cost containment framework, and emphasized that different cost categories have different risk profiles, certainty levels and suitability for fixed pricing or relief. • Support was shared for costs primarily within the proponent's control, including project management, overhead, construction productivity and detailed engineering after sufficient scope definition, should generally remain proponent risk. • Recommendations were provided: ○ Cost categories should be more clearly defined and disaggregated to reflect different risk profiles, especially between subsea and terrestrial components. ○ Potential candidates for risk-sharing or cost relief include permitting, environmental approvals, Indigenous consultation outcomes, external interfaces, geotechnical/marine conditions, regulatory outcomes, route changes and land acquisition. ○ A primarily fixed-price approach is supported where project scope is sufficiently defined, provided there are mechanisms to address material uncertainties outside a proponent's control and to promote overall project cost containment through shared incentives.
Cost Escalation and Indexation	• Indexation is generally supported for high-value HVDC components exposed to commodities, FX and long manufacturing lead times. • Recommendations were provided to reduce cost escalation, including shortening the time between RFP submission and award, and use of milestone-based indexed price adjustments for long-lead-time, high-variance items.



Contract Draft #1

Recap - RFP and Contract: Background and Rationale

- The TTL Request for Proposals (RFP) will identify the minimum qualifications for proponents to participate, and contain transparent evaluation criteria, specifying how a successful bid will be selected. The IESO will be designing a TTL RFP process which will accept bids from eligible transmission proponents registered on the TSF Registry.
- As discussed in previous engagements, transmitter selection processes that were previously undertaken in Ontario did not include binding commitments in the post-selection process.
- The TTL Contract will support project delivery by establishing a framework to manage project development and construction, while incorporating key proposal commitments where appropriate.
- The procurement and contracting approach balances transparency, ratepayer value, and Indigenous participation by selecting qualified proponents through a clear evaluation process while using contractual obligations to protect ratepayers and support project delivery.

Contract Draft #1 Posted

- The IESO has posted a first draft of the [TTL Contract](#) for Indigenous community and stakeholder feedback.
 - There remain a number of Notes to Draft in Draft #1 of the Contract, which reflect known areas of the procurement design requiring further development and sector engagement.
 - As design progresses, all sections of the Contract are subject to change.
- Capitalized terms not defined in this slide deck have the definitions given to them in Contract Draft #1.

Draft Key Contractual Parameters

- The TTL Contract is based on other recent IESO contracts, but a significant amount of customization is required to adapt to the transmission context. Key sections have been highlighted below and over the next few slides:
 - Term (Article 10)
 - Milestone Dates (Article 2, Section 2.3)
 - Events of Default (Article 11)
 - Progress Reporting (Article 2, Section 2.4)
 - Project Website Obligations (Article 2, Section 2. 13)
 - Indigenous Participation (Article 2, Section 2.14)
- The current draft does not include Exhibits, Performance Obligations, and details on cost containment. More information on these items will be provided in upcoming engagements, starting with cost containment in September.
- IESO encourages all interested parties to complete a fulsome review of the entire draft Contract.

Commercial Contract Term - COD+2 (Art. 10)

- Based on the TTL Directive, the IESO is considering a contract term length of 2 years following COD to ensure sufficient time for resolution of matters under the contract following the asset coming into service.
- The COD+2 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+2 contract will also seek to ensure that Indigenous participation commitments are delivered.
- The IESO is considering the inclusion of an IESO right to terminate based on escalating capital cost estimates or changing system conditions prior to MPC, with compensation paid to the Transmitter for its necessarily and prudently incurred costs.
- Towards the end of the IESO contract term, the project will transition to a rate-regulated asset, with ongoing costs recovered through the transmitter's OEB-approved revenue requirement.
- More details can be found over the next few slides.

Milestone Dates (S. 2.3)

- The IESO is proposing to establish a series of Milestone Dates to ensure the timely development and delivery of the TTL:
 - Early Development Completion (MED)
 - Pre-Construction Completion (MPC)
 - Commercial Operation (MCOD)
- At each milestone, Proponents would be required to submit key documentation, detailed on the next slides.
- Each milestone features a target Milestone Date followed by a Longstop Date. The Transmitter will be required to use commercially reasonable efforts to achieve each milestone by the Milestone Date. Failure to reach the Milestone Dates and Longstop Dates is associated with certain consequences, detailed on the next slides.
- Achievement of certain milestones will be tied to the amount of Completion and Performance Security the Transmitter must provide.

Milestone Deliverables (S. 2.5-2.7) (1/2)

Milestone	Proposed Deliverables
Early Development Completion (MED)	• Independent Engineer sign-off (via Prescribed Form) that Facility design to date meets Functional Requirements; and • Early Development Completion Certificate, including the following documentation: • Preliminary Design Package sealed by a P.Eng. • Updated estimated total project costs, broken down by category • Transmitter's OEB license • A list of Material Project Permits, Project Land Rights and Project Agreements • A list of OEMs of HVDC components and Converter Stations, evidence that each OEM meets specified experience requirements, and proof of deposits under manufacture booking agreements with each
Pre-Construction Completion (MPC)	• Independent Engineer sign-off (via Prescribed Form) that final Facility design meets Functional Requirements • A progress report (via Prescribed Form) certified by Independent Engineer; and • A Pre-Construction Completion Certificate, including the following documentation: • Final Design Package sealed by a P.Eng. • Evidence that certain specified Material Project Permits, Land Rights and Project Agreements have been obtained or entered into, and updated plans for acquiring the remaining ones needed for construction and operation • DTC Letter from the Ministry of Energy and Mines • Publication of an Environmental Effects Monitoring Program • Evidence that Financial Close has occurred or is soon to occur • Long Term Operating Plan

Milestone Deliverables (S. 2.5-2.7) (2/2)

Milestone	Proposed Deliverables
Commercial Operations (MCOD)	• Independent Engineer sign off (via Prescribed Form), stating the following: • The Facility has been completed in all material respects • The Connection Points of the Facility are consistent with the Functional Requirements • The following Agreements have been entered into: Operating Agreement, Operating and Maintenance Agreements, and Connection Agreements and Connection Cost Recovery Agreements • The Facility has been constructed, connected and commissioned and synchronized to the IESO-Controlled Grid • The Facility has obtained all Material Project Permits • Commercial operation certificate • Final as-built Single Line Diagram • Final RAN from IESO • Actual Canadian Content Percentage Certificate, if applicable

Missed Milestone Consequences

Milestone	Milestone Date	Longstop Date
Early Development Completion (MED) • IESO may push MED date out if conditions for delay event have been met	• Requirement to submit Delay Remediation Report, failure of which will result in a Late Delay Remediation Report Administrative Charge	• Transmitter Event of Default, which could lead to termination and draw on Completion and Performance Security
Pre-Construction Completion (MPC) • IESO may push MPC date out if conditions for delay event have been met	• Requirement to submit Delay Remediation Report, failure of which will result in a Late Delay Remediation Report Administrative Charge	• Requirement to increase Completion and Performance Security, which if not met, would result in a Transmitter Event of Default
Commercial Operation (COD) • IESO may push COD out if conditions for delay event have been met	• Liquidated Damages initiated immediately • Requirement to submit Delay Remediation Report, failure of which will result in a Late Delay Remediation Report Administrative Charge	• Liquidated Damages are progressively increased depending on length of delay

Transmitter Events of Default (S. 11.1)

The IESO is proposing the following potential Transmitter Events of Default:

- Failure to make payment or maintain Completion and Performance Security, not remedied within 10 days
- Failure to perform material obligation, not remedied within 15 days, with extension of cure period where failure is being diligently remedied
- Failure to obtain or hold Material Project Permits, not remedied within 30 days, with extension of cure period where failure is being diligently remedied
- Representation not true or correct in any material respect and is not made true within 30 days, with extension of cure period where failure is being diligently remedied
- Dissolution, termination of existence, liquidation or winding up of the Transmitter
- Bankruptcy or insolvency of the Transmitter
- Failure to meet MED by the Longstop Date
- Failure to obtain the IESO's prior consent to a Facility Amendment, assignment, change of Control, or change to an OEM for HVDC components or Converter Stations

Progress Reporting (S. 2.4)

The IESO is proposing that the Transmitter provide a monthly progress report via Prescribed Form (s. 2.4(a)), which includes the following:

- the status of efforts made by the Transmitter to achieve applicable Milestones
- progress of the design and construction work
- the status of approvals of any Governmental Authority relating to the Facility
- the status of Capital Cost Components including changes to estimated amounts and actual amounts
- any insurance claims submitted or any insurance proceeds received by the Transmitter
- IEPP implementation
- status of Reportable Events

The IESO is also proposing that the proponent provide a quarterly report following COD and continuing until 2 years after COD. More information can be found in the Contract (s. 2.4(b)). Key post-COD reporting items include the Long-Term Operating Plan, progress towards meeting IEPP commitments and plans with respect to Outages and removal from service.

Project Website Obligations (s. 2.13)

The IESO is proposing to require the proponent to maintain and update a Project Website, and include the following information:

Facility and Project Information	Technical details of the Facility and Functional Requirements; an illustrative map; the Project Schedule; the permitting plan; and, if the Facility is under construction, 5–10 photos showing construction progress.
Transmitter Information	The legal name ownership details, and contact information of the Transmitter; and contact information for representatives responsible for land rights matters, Indigenous engagement, and Capacity Funding requests.
Stakeholder and Indigenous Engagement Information	The process for members of the public to submit questions, feedback, or concerns regarding the Facility; the schedule of community and Indigenous community engagement activities; a statement that Capacity Funding is available to First Nation Communities on the Ministry Engagement List; and the Transmitter's plan to support First Nation Communities in accessing and navigating equity and non-equity economic participation opportunities.

Regulatory Provisions (Art. 5)

- In Article 5, the IESO is proposing key parameters regarding how the Contract will fit into the existing regulatory framework.
- All provisions in Art. 5, including those regarding filing requirements, IESO and OEB processes, accounting standards, covenants, and post-filing adjustments are under consideration by the IESO and the OEB and remain subject to change. The IESO and OEB are continuing to collaborate on a seamless transition from the IESO contract framework to OEB rate regulation.
- The Contract will require the Transmitter to apply to the OEB for approval of an initial revenue requirement that will be included in Ontario's Uniform Transmission Rates (UTRs).
- The framework presented in the draft contract is founded on section 78(5.3) of the OEB Act, which sets out that the Board shall apply a method in setting transmission rates that provides for the recovery of amounts to be paid to the transmitter under a procurement contract.
- In evaluating the Transmitter's revenue requirement application, the OEB will accept the Total Capital Cost, as defined and established under the IESO contract.
- Transmitter costs in respect of non-Capital Cost Components can also be included in the Transmitter's revenue requirement and will be subject to OEB review under section 78 of the OEB Act.
- Payments from the IESO to the Transmitter will be made in accordance with the OEB rate order to the Transmitter and using the usual process for payment of UTR revenue under the Market Rules.

Initial Revenue Requirement Application Process

- Prior to achieving COD, the Transmitter provides advance notice to the IESO of its anticipated application filing date.
- The IESO will supply the Transmitter with the current Total Capital Cost under the contract, which may reflect indexation and accepted and finalized cost adjustments up to that point.
- The Transmitter will share a draft OEB application with the IESO for a compliance review.
- The Transmitter will proceed with the filing, using the Total Capital Cost provided by the IESO.
- In the initial filing, the Transmitter will include a request to establish an account to track amounts that may be subject to a post-filing adjustment, which could include any costs not incurred or cost adjustments not finalized in time for the revenue requirement application.
- Once the IESO contract term has ended, and all adjustments under the contract are finalized, the Transmitter will be required to apply to the OEB for the disposal of the account balance.

Proposed Revenue Requirement Covenants (s. 5.3)

- Use an OEB-approved incentive rate-setting methodology with a plan minimum of 5 years.
- Only include the approved Total Capital Cost calculated in the Contract in respect of Capital Cost Components covered by the contract.
- Do not seek to recover any other costs in respect of Capital Cost Components that are not captured by the Total Capital Cost.
- Do not shift or reclassify Capital Cost Component costs into other cost categories.
- Do not seek to recover liquidated damages or administrative charges.
- Only seek to recover costs directly related to the development, construction, and operation of the TTL Project.
- Depreciation must be calculated in accordance with OEB Filing Requirements.
- Include an updated Long Term Operating Plan.

Indigenous Participation (s. 2.14)

- To ensure the importance of the Indigenous Engagement and Participation Plan's (IEPP) role in the RFP and proponent selection process is carried through to the TTL Contract, the agreement will contain provisions to hold the transmitter accountable for delivering commitments set out in the IEPP.
- The IESO will also have the right to publish the transmitter's IEPP commitments, 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.

Indigenous Participation Accountability (s. 2.14)

To ensure the Transmitter is held accountable to their commitments regarding Indigenous engagement and participation, the IESO is proposing to include several contract parameters and welcomes feedback:

Ongoing Monitoring and Reporting	Progress in IEPP implementation will be tracked through the pre- and post-COD progress reporting, including: Indigenous engagement efforts; status of Indigenous participation agreements and community benefits agreements; all Non-Equity Commitments provided; and all equity offers fulfilled.
Post COD Verification	- No later than one year after COD, the Transmitter shall submit a Final IEPP Report with supporting evidence, outlining how they have fulfilled their IEPP commitments including: - All equity offers made, including who they were made to, and the percentage offered - A list of agreements granting equity in the Transmitter, including counterparties and percentage of equity for each - All Non-Equity Commitments provided, including recipients and for what purpose - An explanation of why any IEPP commitments were not met - An explanation of how the Transmitter implemented its plan to support access to and navigation of economic participation opportunities
Accountability	Non-Equity Commitments: The IESO is considering a mechanism to reduce the Total Capital Cost should the Transmitter fail to spend the full amount required to achieve its IEPP Non-Equity Commitment Percentage. Equity Commitments: The results in the Final IEPP Report may be published on the IESO's website to provide transparency regarding the fulfillment of equity commitments.



Enabling Indigenous Participation & Engagement

Enabling Indigenous Engagement & Participation

The IESO is committed to supporting meaningful Indigenous participation in the TTL procurement. The TTL [Directive](#) identifies three key areas in the RFP to support Indigenous engagement and participation:

- **Mandatory Indigenous Experience Requirements:** Proponents must demonstrate experience working with Indigenous communities, including Indigenous engagement and rights-based consultation in on infrastructure projects located on treaty and traditional territories in Canada.
- **Indigenous Engagement and Participation Plan (IEPP):** Proponents will be required to describe how they will support Indigenous engagement, economic participation, and community benefits.
- **Rated Criteria Points to Enable Higher Levels of Commitments:** Proponents may earn additional points for higher levels of economic participation commitments, and for a history of established delivery of economic benefits to Indigenous communities.

To support discussion and gather feedback, the IESO has released a [discussion paper](#) outlining potential Indigenous participation features for the TTL procurement.

Recap - Proposed Experience Requirements: Indigenous Experience

To support meaningful Indigenous engagement and rights-based consultation, the IESO is considering a mandatory qualification requirement.

Pass/Fail Requirement: Proponents must demonstrate Indigenous engagement and rights-based consultation experience on at least one qualifying infrastructure project that:

- Was an energy or linear infrastructure project in Canada within a Treaty area or traditional territory and
- Reached commercial operation within the last 10 years.

Demonstrating Experience:

- Organizational experience, and/or
- Experience of designated team members (e.g., qualified Directors or Officers).

The IESO is continuing to seek feedback on this proposed qualification approach before finalizing procurement requirements.

Recap - Indigenous Engagement & Participation Plan (IEPP)

The IESO recognizes the importance of Indigenous participation in major transmission projects and supporting opportunities for long-term economic benefits.

- Proponents will be required to submit an IEPP as part of their proposal.
- IEPPs are expected to be informed by early discussions with Indigenous communities.
- Indigenous communities will determine whether and how they wish to participate in the project.
- The successful proponent will be contractually required to implement its IEPP commitments.
- The IEPP does not replace the Crown's Duty to Consult.

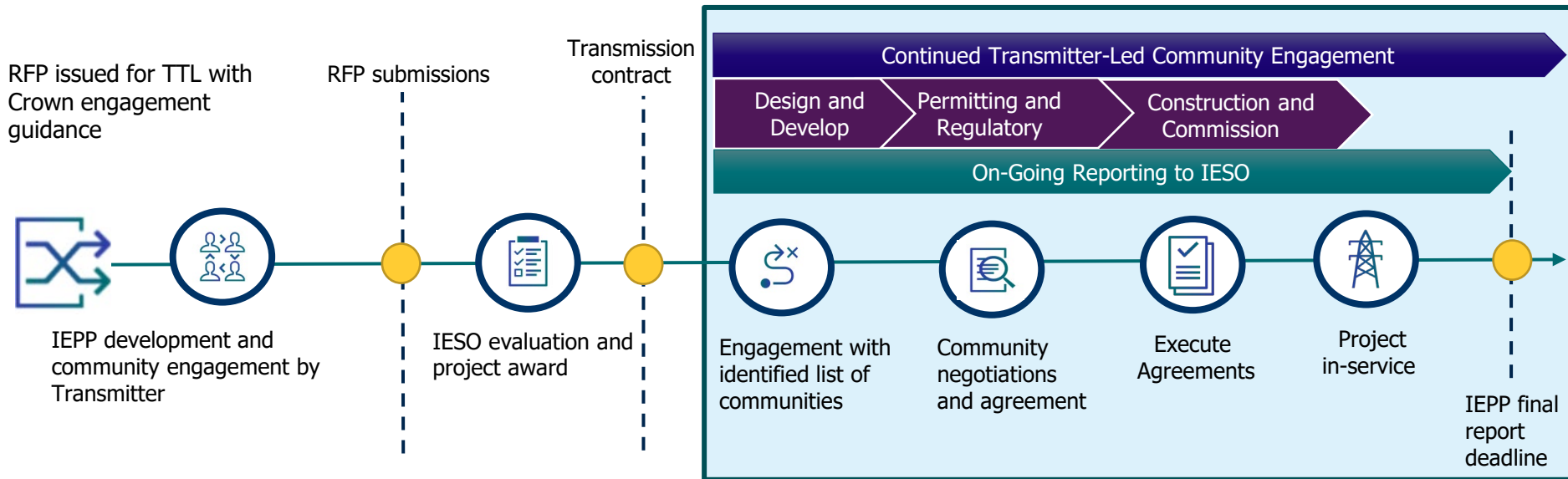
The IESO continues to welcome feedback on the IEPP design.

Recap - IEPP Evaluation Approach

In response to the TTL Directive, and Indigenous community and stakeholder feedback, IESO is considering an evaluation framework in the RFP that includes both Rated and Mandatory requirements:

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
Mandatory Criteria Establish a baseline to ensure all proposals meet core expectations for engagement and participation.	✓ Some degree of economic commitment	✓ Engagement plan and public timeline; Outreach to all Crown-identified communities	✓ Capacity funding offers

Indigenous Engagement and Participation Plan Map



IEPP Implementation Throughout Development & Construction

**For illustrative purposes only*

Next Steps on Draft Design and Refinement

The IESO remains committed to engaging directly with Indigenous communities identified by the Ministry of Energy and Mines.

A draft [IEPP discussion document](#) has been released to support awareness and gather feedback.

The IESO will continue one-on-one discussions with Indigenous communities throughout the summer and fall.

Feedback received will help inform the final IEPP design and procurement framework.

Specific IEPP design elements may evolve based on community input while remaining aligned with the TTL Directive.



Preliminary System-Level Functional Requirements

TTL Preliminary General System-Level Requirements

- The Toronto Third Line System-Level requirements address the system needs identified in the Toronto Regional Plan as well as bulk system level needs as identified in the South and Central Bulk Plan.
- The TTL is expected to adhere to transmission system interconnection point performance standards and requirements as outlined in detail **including but not limited** to the following documents:
 - OEB's [Transmission System Code](#) (TSC)
 - IESO's [Ontario Resource and Transmission Assessment Criteria](#) (ORTAC)
 - IESO's [Market Rules and Manuals](#)
 - NERC's [Reliability Standards](#)
 - NPCC's [Regional Reliability Criteria and Standards](#)

Preliminary System-Level Requirements (1)

#	Requirement	System Needs	Details
1	Rated Active Power	900 MW	Measured at the grid level interconnection point of the receiving end
2	Number of Equal-Capacity Delivery Paths	2 (x 450 MW)	Designed to minimize the risk of single points of failure that can cause the loss of both paths
3	HVDC Converter Technology *	MM-VSCs	Use of latest commercially available and proven technology for modular multi-level voltage source converters
4	Normal Operation Active Power Ramp Rate	Adjustable between 0 – 300 MW/min	- Bi-directional transfer capability - Dispatchable to any MW value by 1 MW step size at any time as required by the system
5	Rated Reactive Power Injection Capacity *	+/-33% of the rated active power per path	Continuously inject or absorb reactive power at the interconnection point up to 33% of rated active power over full range of active power transfer and full range of system voltage
6	Interconnection Nominal Voltage Level	<u>Bowmanville</u> : 500 kV or 230 kV <u>Toronto</u> : 230 kV	Operating voltage levels given as per IESO's ORTAC

Preliminary System-Level Requirements (2)

#	Requirement	System Needs
7	Reactive Power Response Time *	- Achieve a sustained injection/withdrawal of reactive power of up to 33% of the rated active power at the interconnection point within 1 to 5 seconds (adjustable) following a setpoint step change no larger than +/- 4% from the applied voltage setpoint - Consistent response time expected over the entire operating range
8	Voltage Control Capability *	Regulate voltage automatically within $\pm 0.5\%$ of any set point within normal voltage range at the interconnection point with an adjustable droop between 0% to 7%
9	Voltage Ride-Through Capability *	- Voltage Minimum Ride-Through time ranges and thresholds for each interconnection point as per NERC PRC-029 Standard for IBRs and IESO's ORTAC - Momentary cessation is not permitted at the facility's converters during a system disturbance. During a voltage depress, the facility shall inject its maximum reactive power in accordance with its capability as per Appendix 4.2 of IESO's Market Rules¹
10	Frequency Ride-Through Capability *	Ranges and thresholds as per NERC PRC-029 Standard for IBRs
11	Short Circuit Capability *	Facility should be able to withstand and isolate (interrupt) system short circuit fault levels up to 80 kA as per OEB's TSC

¹ While Appendix 4.2 of the IESO's Market Rules refer to Generation and Electricity Storage Facilities, specific requirements from Appendix 4.2 will be applicable to TTL

Preliminary System-Level Requirements (3)

#	Requirements	System Needs
12	Protection Systems *	Comply with all applicable TSC requirements for essential elements, NPCC criteria (Directory #4), and NERC standards
13	Equipment Design *	Designed to be fully operational in all reasonably foreseeable ambient conditions including ambient temperature ranging from -40°C to 40°C
14	Grid-Enhancing Capability *	- Capable of operating in both Grid-Forming and Grid-Following control modes with the ability to transition smoothly between modes - When operating grid-forming, the facility must be able to self-synchronize to energize a subsystem and stably operate in a weak subsystem
15	Availability Factors	- The availability of the entire facility must be no less than 99.5% on an annual basis - The availability of at least one path must be no less than 99.9% on an annual basis
16	Sub-synchronous Resonance Interactions	The facility must not introduce any negative sub-synchronous control interaction (SSCI), sub-synchronous torsional interactions (SSTI), as well as interactions with existing low-frequency system oscillatory modes
17	Remedial Action Schemes (RAS) Participation Capability	Facility may be required to participate in RAS to both take automatic action in response to system events and to send signal into the RAS, following events within the TTL system itself

Preliminary System Level Requirements Questions

The IESO is seeking feedback on the requirements shared above including:

1. Are the preliminary system-level requirements outlined on slide 44 to 46 adequate to drive the technical design of the TTL?
2. Are the preliminary requirement values appropriate, overly stringent, or too relaxed to for current and expected technology capabilities?
3. What additional clarification is required regarding the system-level requirements and associated values?
4. Are there any additional system level requirements that the IESO should consider?

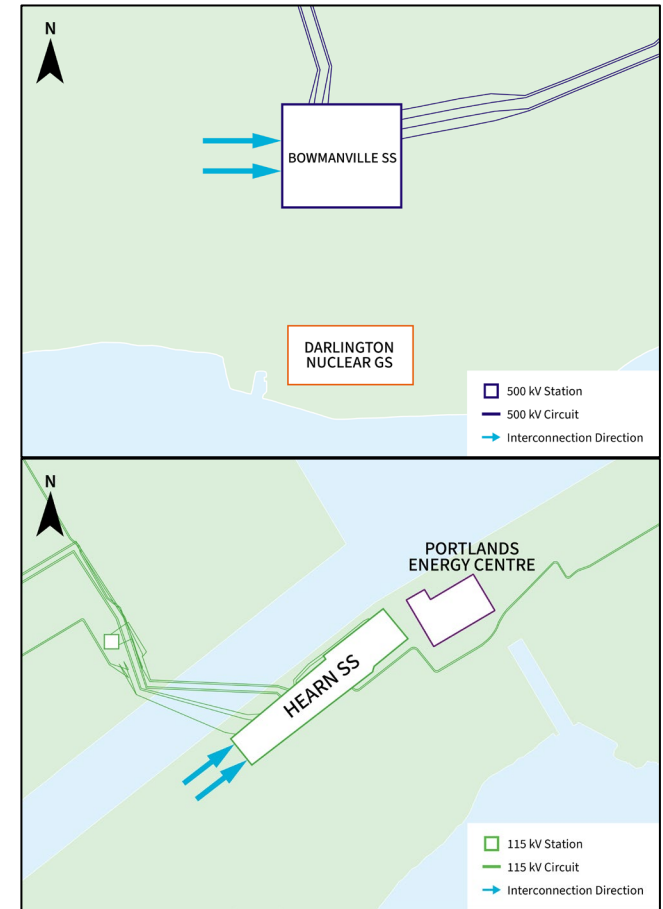
Interconnection Locations

IESO has engaged Hydro One to conduct a connection feasibility assessment as asset owners of the existing interconnection stations to determine feasible connection arrangements.

Preliminary feasible or preferable TTL interconnection locations to the existing system have been identified. Note that this may be subject to change once the feasibility assessment is completed.

- **In the Portlands area:** An interconnection is feasible on the southwestern side of the existing Hearn Switching Station.
- **In the Bowmanville area:** An interconnection is preferable on the west side of the existing Bowmanville Switching Station.

The preliminary interconnection locations define where the TTL transmission facilities connect to the grid. The eventual line and station locations for the TTL have not been determined and will be determined by the selected transmitter.





Discussion and Next Steps

Discussion Questions

1. What contract parameters should the IESO include to ensure accountability for Indigenous engagement and participation commitments (e.g., ongoing monitoring and reporting, line-in-service verification)?
2. Do you have feedback on the proposed contract framework and its interaction with the existing regulatory framework, including IESO payments and the transition to OEB rate regulation?
3. To increase transparency through the development and construction of the project, the IESO is proposing to include a number of Website Obligations in the Contract. Do you have any feedback on the proposed inclusions ?
4. Is there feedback regarding the deliverable expectations for the milestones? Are the requirements appropriate? Are there any submissions omitted from the current list?
5. The IESO is considering how to leverage transmitter's expertise in schedule development, while balancing the IESO's need to ensure appropriate milestone dates are included in the contract. Do you have suggestions on an approach that enables transmitters to offer appropriate input into the determination of contractual milestone dates?

1-on-1 Engagement Best Practice

- As the Toronto Third Line procurement remains in the design phase, the IESO welcomes market experience, lessons learned and feedback that may help inform the procurement approach.
- The IESO continues to welcome the opportunity to meet 1-on-1 with Indigenous communities and interested stakeholders.
 - For Indigenous Communities, please reach out to Nadia.Mirabelli@ieso.ca.
 - Stakeholders, please reach out to engagement@ieso.ca.
- To facilitate productive discussions and ensure appropriate IESO attendance, meeting requesters **should submit a proposed agenda and any discussion questions in advance of the meeting.** This information will be used to determine the appropriate subject matter experts and staff required to participate.
- To support a fair, transparent, and competitive process, discussions will be limited to information that is already publicly available. The IESO will not disclose non-public information or provide procurement guidance, assurances, interpretations, or commitments that could create an actual or perceived advantage for any participant.

Next Steps

- The IESO invites written feedback by **September 10, 2026**.
- All written feedback should be submitted to engagement@ieso.ca using the IESO Feedback Form, which is posted on the engagement webpage.
- The IESO will look to hold the next TTL procurement engagement session in **September 2026**, where the IESO will plan to engage on additional cost containment features.

2026 Stakeholder and Community Engagement Survey

Share Your Feedback Today!

- Findings will help us identify where trust is strong, where it can be strengthened, and how we can ensure your perspectives inform our priorities and actions.
- Administered by Ipsos - a leading market research company. All responses are confidential. Only aggregated results will be shared with the IESO team.
- Responses accepted until September 4.



Thank You

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