

Feedback Form

Long-Term 2 RFP – June 16, 2026

Feedback Provided by:

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To promote transparency, feedback submitted will be posted on the Long-Term 2 RFP engagement page unless otherwise requested by the sender.

- NO - There is confidential information, do not post**
- YES - Comfortable to publish to the IESO web page**

Following the June 16th, Long-Term 2 RFP engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the items discussed. The presentation and recording can be accessed from the [Long-Term Procurement engagement webpage](#).

Note: The IESO will accept additional materials where it may be required to support your rationale provided below. When sending additional materials, please indicate if they are confidential.

Please submit feedback to engagement@ieso.ca by July 3, 2026.

Domestic Content Requirements

Do you have feedback on the proposed requirements?

Stakeholders are encouraged to review and provide feedback on the domestic content provisions that were applied for the LLT RFP and can be found in the [LLT RFP Ministerial Directive](#)

Energy Storage Canada supports domestic content provisions that strengthen Canadian participation in the storage supply chain, but these measures must reflect how battery energy storage systems are manufactured and procured. Storage components are produced through global, highly specialized networks, and Canada does not yet have domestic production capacity at the scale required to meet Ontario's near-term reliability needs. For this reason, domestic content requirements must be flexible, transparent, and aligned with industrial realities.

The Ministerial Directive for the LLT RFP provides a useful model: a disclosure-based Supply Chain Disclosure Plan paired with optional incentives. ESC encourages the IESO to adopt a similar approach for LT2 Window 2. Proponents should report Canadian sourcing opportunities for labour, engineering, and integration services, while explaining why certain goods cannot be procured domestically. This structure supports policy development without constraining project viability.

ESC also urges the IESO and the Government of Ontario to explicitly recognize partial Canadian manufacturing within domestic content frameworks. As Canadian upstream production emerges, it is increasingly likely that cells may be manufactured in Canada and then integrated into modules or packs elsewhere. Under the LLT Directive, goods manufactured in Canada, even if assembled using components sourced internationally, are still considered Canadian. LT2 domestic content provisions should preserve this interpretation to ensure early-stage Canadian manufacturing is not inadvertently excluded from qualifying as "domestic."

Mandatory thresholds for storage equipment would introduce significant risk for projects already in development, disrupt long-lead procurement cycles, and undermine investor confidence. Optional incentives, rather than prescriptive requirements, will encourage Canadian participation where feasible while maintaining affordability, reliability, and investment certainty. Domestic content rules should also remain compatible with North American supply chains, which are essential for timely deployment.

A balanced, disclosure-based approach, paired with voluntary incentives and recognition of Canadian cell manufacturing, will support Ontario's industrial strategy while ensuring storage projects can be delivered on time and at reasonable cost.

Increased Proposal Fees

Do you have feedback on newly proposed fees?

ESC recognizes the administrative complexity associated with evaluating LT2 proposals, particularly deliverability assessments and technical reviews. However, increasing proposal fees to \$25,000 may disproportionately affect smaller developers, Indigenous partners, and community-based proponents

advancing storage projects. These proponents often operate with lean development budgets and may face additional costs associated with municipal engagement, land agreements, and interconnection studies.

A more calibrated fee structure, such as scaling fees by project size or offering reductions for Indigenous-led or community-owned projects, would allow for broad participation. ESC also encourages the IESO to provide clarity on how fee revenues support procurement administration, ensuring proponents understand the value associated with the increased cost.

E-PPA Design: DA to RT Adjustments

Do you have any comments to share with the IESO regarding the consideration of the IESO removing the DARTA mechanism for LT 2 Window 2?

Energy Storage Canada supports thoughtful evolution of procurement design as Ontario gains experience with the renewed market, but any changes must reflect the operational and financial realities of storage resources. Removing the DARTA mechanism would expose storage proponents to day-ahead and real-time price differences that cannot be effectively managed through dispatch strategies or additional market data. Storage operation is shaped by broader system conditions, renewable output, congestion, cycling limits, and degradation management, which means proponents cannot reliably anticipate or offset DA/RT divergence.

This has direct implications for project financeability. Storage projects depend on predictable settlement structures to demonstrate stable revenue profiles to lenders and investors. Eliminating DARTA would introduce volatility that sits outside the control of storage operators, creating uncertainty that financing partners are unlikely to accept. Such a shift would weaken investment confidence, slow development timelines, and ultimately increase costs for ratepayers as proponents adjust bids to account for heightened market exposure.

For these reasons, ESC recommends retaining the DARTA mechanism for LT2 Window 2. Maintaining this feature will ensure that settlement risk remains aligned with the operational characteristics of storage, preserve contract bankability, and support the timely deployment of storage resources needed to meet Ontario's emerging system needs.

Locational Rated Criteria

Do you have feedback on the proposed locational rated criteria?

ESC supports the continued use of locational rated criteria and encourages the IESO to refine this tool to reflect system needs specific to storage. Strategically sited storage can alleviate congestion, support voltage stability, and provide deferral value on circuits identified in regional and bulk system plans. Locational incentives should therefore prioritize areas where storage can deliver measurable system benefits.

ESC recommends that the IESO publish a clear list of eligible circuits and the rationale for each, enabling proponents to align development strategies with system planning objectives. It is also important that locational incentives be calibrated to avoid over-concentration in a single zone while still encouraging development in areas with meaningful system need. This approach will help Ontario maximize the reliability value of storage while supporting efficient use of transmission infrastructure.

Exclusion Criteria

Do you have feedback on the use of exclusion criteria to prohibit participation by any Proponent, including entities that Controlled the Proponent, deemed by the IESO not to be in good standing?

ESC supports the principle of maintaining good faith participation in procurements. However, exclusion criteria must be transparent, proportionate, and consistently applied, particularly given the diverse ownership structures present in the storage sector. The IESO should clearly define what constitutes “not in good standing,” including examples of conduct that would trigger exclusion and the duration of associated restrictions.

ESC encourages the IESO to establish a formal review or appeal process to ensure that proponents have an opportunity to address concerns or remediate issues. Predictability and fairness are essential to maintaining confidence in Ontario’s procurement framework and ensuring that exclusion criteria do not inadvertently discourage investment.

General Comments/Feedback

Do you have additional feedback to share with the IESO?

ESC appreciates the IESO’s commitment to transparency and supports the proposal to release anonymized information on unsuccessful proposals, including technology mix, project sizes, and submission volumes. This information will help the sector understand competitive dynamics and improve future proposal development without compromising proprietary strategies. ESC also encourages earlier publication of deliverability guidance to support more efficient project planning and reduce uncertainty for proponents. Clearer expectations for municipal support, particularly for storage projects, which differ materially from generation facilities, would further streamline development timelines. Finally, ESC welcomes continued engagement on repowering, recognizing that storage facilities may seek to expand capacity or replace equipment as technology evolves.

ESC also encourages the IESO to address a structural issue that emerged for distribution-connected storage proponents in LT2(c-1). The withdrawal-capacity inputs provided to the Deliverability Test were based on charging assumptions that differ from the IESO’s own methodology, leading to conservative “no capacity” outcomes for projects that would be fully deliverable under the IESO’s 50%-charging, 16-hour off-peak framework. To support consistent and accurate pre-bid signals, ESC recommends requiring LDCs to apply the IESO’s charging assumptions when assessing withdrawal capacity and enabling conditional deliverability outcomes where reasonable operating limits can be incorporated into connection agreements. These adjustments would help ensure distribution-connected storage remains a viable participant in LT2 and that procurement results reflect realistic operating profiles.

ESC looks forward to continued collaboration with the IESO to ensure that LT2 Window 2 supports Ontario’s reliability, affordability, and decarbonization objectives while enabling the timely deployment of energy storage resources.