

# 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 16<sup>th</sup>, 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](mailto: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](#)

Horizon New Energy (“Horizon”) supports the Ministerial Directive and the IESO in their desire to encourage domestic content, however, there is a fundamental issue with having this requirement be part of a procurement process where domestic materials are not currently readily available to the same extent for each technology type. This requirement is seemingly premature given the current supply chain realities. Certain technologies will be disproportionately favoured by this requirement. If the IESO does wish to advance this provision, Horizon would suggest considering using only the labour component of total capex in determining the domestic content and associated rated criteria points.

In addition, Horizon’s view is that the current contractual liquidated damages outlined in the LLT RFP related to the Canadian Content Shortfall are overly punitive. At the time of bid submission, Proponent’s can only estimate to the best of their abilities what the Canadian Content at time of construction will be. The indicative nature of these estimates and the time gap between contract award, permitting and start of construction are significant concerns to Horizon. The damages are disproportionate to the ability to estimate what the Canadian Content will be when construction is complete.

## Increased Proposal Fees

Do you have feedback on newly proposed fees?

No feedback on newly proposed fees.

## 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?

Horizon strongly opposes the removal of the Day-Ahead-to-Real-Time Adjustment (“DARTA”) mechanism for Window 2. Given the early stage of the renewed market structure, limited historical pricing data, and the inherent risks associated with the financial framework of the LT2 contract, Horizon’s view is that this mechanism should be retained. The current contract design already exposes proponents to generation risk; removing the DARTA mechanism would further subject projects to full pricing risk that proponents are not well positioned to effectively manage. The fundamental purpose of a long-term contract is to mitigate such risks, and the LT2 contract structure is already comparatively complex and non-standard relative to other Canadian procurement frameworks.

Horizon also wishes to highlight a significant concern regarding the ability to finance the contract. In the absence of the DARTA mechanism, financial institutions may adopt a more conservative assessment of project revenues, potentially resulting in reduced access to financing or less favourable financing terms. This, in turn, would increase the overall cost of Window 2 projects, with such costs ultimately being borne by ratepayers.

## **Locational Rated Criteria**

Do you have feedback on the proposed locational rated criteria?

Horizon strongly supports the continuation of the rated criteria established for Window 1 into Window 2. Given the inherently long development timelines associated with wind projects, as well as the time required to adequately collect and analyze site-specific wind resource data, significant changes to the locational rating criteria at this stage could result in the submission of underdeveloped projects. This, in turn, may reduce overall bid competitiveness and increase the risk of attrition during project execution following contract award.

Horizon does support the introduction of revised locational rated criteria in future procurement windows (e.g., Windows 3 and 4). However, to ensure a competitive procurement process, it is essential that proponents receive earlier and clearer guidance from the IESO regarding priority development areas. The current timeline leading up to the proposed Window 2 submission date does not provide sufficient opportunity to meaningfully guide project siting decisions.

## **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?

To support the IESO in achieving its procurement targets while maintaining a highly competitive pool of submissions, Horizon supports the implementation of certain exclusion criteria to restrict participation. However, this support is contingent upon the IESO providing clear and transparent guidance on what constitutes "good standing." While Horizon acknowledges that commercial disputes are an inherent aspect of any procurement process, actions that materially undermine the integrity or success of a procurement should not be permitted.

Horizon also notes that the currently proposed three-year exclusion period may be overly punitive. As such, Horizon recommends that the IESO consider a shorter exclusion duration—such as a single procurement cycle / window—to ensure that the measure remains proportionate while still preserving accountability within the procurement framework.

## **General Comments/Feedback**

Do you have additional feedback to share with the IESO?

Horizon wishes to reiterate it's previous comments that the currently outlined deliverability guidance timelines pose a significant challenge for proponents given the project development and submission timelines associated with the procurement.

To support effective project planning and to ensure that proponents can advance high-quality, well-sited proposals, we strongly encourage the IESO to release deliverability-related updates as early as practicable. In particular, the timely publication of regional capacity guidance would materially improve proponents' ability to assess the viability of prospective sites. Early clarity on whether capacity is expected to be available in the Northwest and Northeast (as well as other planning regions), and the extent to which generation may be transferable to southern regions, would meaningfully influence development decisions.

Furthermore, the three most critical system constraints—Wawa, Mississagi, and Hanmer/Essa—represent pivotal stage gates for many potential projects. Any preliminary insights into expected transfer capabilities or capacity constraint relief in these areas would provide substantial value to proponents and reduce the risk of misaligned development efforts.

Horizon also encourages the IESO and Hydro One to revisit the transmission line capacity assumptions that were applied in the W1 RFP. We believe the existing limits are overly conservative and do not accurately reflect the capability of the transmission system or the opportunities to safely and reliably accommodate additional generation. A re-evaluation of these line ratings, informed by updated operational practices, engineering analysis, and modern transmission technologies where appropriate, could unlock meaningful additional capacity and improve the efficient utilization of existing infrastructure. Given the significant investment required to develop new transmission infrastructure, maximizing the use of the existing system should remain a key priority.

Horizon welcomes the IESO's recognition that a number of high-quality mature projects remain viable in Northern Ontario, and that unlocking additional transmission capacity within this region is critical to supporting the development of a reliable and resilient provincial energy system and to meet Ontario's long term supply needs. Horizon looks forward to the IESO advancing initiatives that enable greater access to transmission infrastructure and facilitate the continued growth of this strategically important region.

Horizon encourages the IESO to reconsider the requirement for a Municipal Support Resolution (MSR) as part of the LT2 Window 2 procurement process. With municipal elections occurring at the end of October, proponents will face significant challenges in engaging with Councils that may be in transition, operating under restricted decision-making authority, or focused on election-related priorities. Horizon has heard from several individuals within municipal politics that indicate a restricted decision-making period of 1-2 months on either side of an election date is typical. Requiring an MSR for the Window 2 RFP places an unnecessary administrative burden on both municipalities and project proponents and may inadvertently disadvantage otherwise viable renewable energy projects. Removing the MSR requirement or providing an alternative mechanism for demonstrating municipal engagement and support, would help ensure a fair, efficient, and competitive procurement process while still respecting the important role of municipalities in project development.

The timing of the election cycle introduces uncertainty that is outside a proponent's control and creates a risk that project selection outcomes may be influenced by municipal scheduling constraints rather than project merits. Adjusting the MSR requirement would support broader participation in the procurement, reduce administrative burden on local governments, and improve the likelihood of achieving the IESO's renewable energy procurement objectives in a timely and cost-effective manner.

Horizon suggests introducing requirement to demonstrate meaningful municipal engagement prior to RFP submission (presenting at Council meeting and / or public open house) with more prescriptive requirements if a proponent is awarded a contract. This ensures administrative burdens on local councils are reduced prior to contracts being awarded and allows for councillors, proponents, and the public to have enough time to thoughtfully review project details before voting on aspects of the project.

Horizon would also suggest including a requirement for wind projects to have at least 1 year of on-site collected wind data to participate in the W2 RFP. This requirement will ensure that only materially de-risked projects are able to submit proposals and will result in more competitive pricing and a reduced likelihood of projects not achieving commercial operations or underperforming during the contract term.