Feedback Form

Long-Term 2 RFP – June 16, 2026

Feedback Provided by:

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Title: Chair

Organization: Ontario Rivers Alliance

Email: [redacted]

Date: 3 July 2026

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**
- **X** **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

ORA supports domestic content provisions that build Canadian supply chains and jobs, provided they are structured so that ratepayers are not made to pay a premium for them. The proposed Supply Chain Disclosure Plan and the liquidated-damages backstop of up to $5 million where a proponent fails to meet a committed Canadian-content percentage are reasonable accountability measures that ORA supports. ORA's one caution concerns the evaluated-price incentive. A reduction of up to three percent in the evaluated proposal price can change the ranking of bids, and it must never result in ratepayers paying more, in real dollars, than the lowest-cost proposal capable of meeting system needs. Domestic content is a legitimate objective, but it is a policy choice of the government, set by Ministerial Directive, and its cost to ratepayers should be transparent rather than buried in an evaluation adjustment.

ORA Recommendation 1: That the IESO adopt domestic content provisions for LT2 Window 2 modelled on the Long Lead-Time (LLT) RFP, with the evaluated-price incentive structured and reported so that it never causes ratepayers to pay more, in real dollars, than the lowest-cost proposal capable of meeting system needs, and with supply chain disclosure published in aggregate to support ratepayer transparency.

Increased Proposal Fees:

Do you have feedback on newly proposed fees?

ORA supports increasing the maximum proposal fee from $10,000 to $25,000. The IESO's own rationale is sound: the fee supports cost recovery and ensures, in the IESO's words, that proposal evaluation costs are "borne by proponents rather than ratepayers."[1] The current fee has been frozen since 2006 and no longer reflects the cost and complexity of evaluating today's proposals, including deliverability assessments. A higher, cost-reflective fee also imposes a modest discipline that discourages speculative or non-serious bids, which is itself a ratepayer benefit. ORA supports the application to the Ontario Energy Board and the introduction of the increased fee for Window 2.

ORA Recommendation 2: That the IESO proceed with the increased maximum proposal fee of $25,000, consistent with cost causation and the principle that evaluation costs are borne by proponents rather than ratepayers.

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?

ORA supports removing the DARTA mechanism and endorses the principle that the IESO gives for doing so: that "market participants are best positioned to manage uncertainty related

to their next-day production."[1] DARTA was always an interim measure, and proponents will have more than two years of day-ahead and real-time price history by the Window 2 submission deadline. Placing next-day production risk back on generators, rather than on ratepayers, is the right allocation.

ORA asks the IESO to apply that same principle consistently. As Brookfield Renewable observed at the June 16 session, removing DARTA "is really shifting the risk of unpredictable input ... to the generators entirely,"[2] and that risk, in Brookfield's words, "includes the run-of-river hydro,"[2] for which generators have "very little control in predicting the input."[2] ORA agrees, and the same logic applies over the full contract term. A hydroelectric generator's fuel is water; its availability is uncertain and declining under climate change; and that risk should sit with the proponent who chooses to bid, not with the ratepayer locked into a 20-year fixed-price contract. If proponents will not accept that risk without concessions, that is the market signaling that the resource cannot compete, and the IESO should not obscure that signal with ratepayer-backed protections.

ORA Recommendation 3: That the IESO remove the DARTA mechanism as proposed and apply the same principle across the full contract term by requiring all proponents, including hydroelectric proponents, to bear their own fuel and production risk rather than transferring it to ratepayers.

Locational Rated Criteria:

Do you have feedback on the proposed locational rated criteria?

ORA supports locational rated criteria, particularly the IESO's proposal to reward projects sited on circuits with available transmission capacity or where a local system benefit, such as transmission investment deferral, has been identified in an IESO regional or bulk plan. Rewarding generation that avoids or defers new transmission is a direct ratepayer saving and is consistent with the non-wires, least-cost planning ORA has urged across IESO regional planning. ORA asks the IESO to make the basis for these criteria transparent, so that ratepayers and communities can see where siting is being steered and why. ORA is on record, through its Northwestern Ontario regional planning submissions and as reported by RTO Insider, urging the IESO to consider non-wires alternatives, wind, solar and BESS, for remote communities. If the Northern Ontario Connection Study is used to open additional northern capacity, ORA asks that it test non-wires alternatives on an equal footing and not become a route to unlock new northern hydroelectric development.[3]

ORA Recommendation 4: That the IESO adopt locational rated criteria that reward projects sited where they defer or avoid transmission investment or provide an identified local system benefit; that the basis for those criteria be published so the ratepayer benefit is transparent; and that the Northern Ontario Connection Study test non-wires alternatives on an equal footing with new transmission and generation.

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?

ORA strongly supports exclusion criteria that bar proponents and the entities that control them who are not in good standing. The Window 1 energy stream fell short of its target by roughly 628 gigawatt-hours because a selected proponent declined to execute its awarded contract,[1] an outcome the IESO itself described as "disappointing"[2] and one that harmed both the IESO's ability to meet resource-adequacy targets and the other proponents who could have been awarded that contract. ORA has direct experience of a proponent that conducted itself with disregard for the public interest and for affected communities, and considers a good-standing requirement overdue. The exclusion should apply for at least three years, and should be paired with proposal and performance security strong enough that walking away from an award carries a real cost.

ORA Recommendation 5: That the IESO implement exclusion criteria barring proponents not in good standing, including controlling entities, for a period of at least three years, and pair the measure with proposal and performance security sufficient to deter non-execution of awarded contracts.

General Comments/Feedback:

Do you have additional feedback to share with the IESO?

Not All Megawatts Are Equal:

ORA's central concern is that LT2 is being used, alongside the LLT RFP and roughly 1,800 kilometres of "priority" transmission, to advance ratepayer-backed repowered and new hydropower generation as quickly as possible, without a consolidated accounting of what it will cost ratepayers, in dollars and in emissions. Cost, emissions, public health impacts, fuel price exposure, and stranded asset risk are not external to affordability and reliability; they are a huge part of it. Environmental Defence made the same point in this engagement, cautioning that procurement frameworks "should not treat these externalities as irrelevant to affordability or reliability."[4] ORA agrees. The IESO's own Hybrid Resource Portfolio Equivalency Assessment found that a portfolio of wind, solar and battery energy storage systems (BESS) can meet system needs "with 99.50 to 99.98 percent of load served" in every weather year modelled, and "can provide both baseload and peak power."[5] Wind, solar and BESS are cheaper, cleaner and faster to deploy than hydroelectricity, and far cleaner than gas.

For this reason, ORA does not support a purely technology-agnostic procurement. As Environmental Defence noted, procurement "should recognize the differing emissions impacts, affordability outcomes, and public health implications associated with various electricity generation technologies."[4] A framework that treats a methane-emitting energy-limited resource as identical to a non-emitting baseload resource, on price alone, will systematically misprice risk to ratepayers and to the climate.

ORA supports Environmental Defence's specific concern that the LT2 capacity-rated criteria can advantage fossil gas: awarding more points for 12-plus-hour duration to "Non-Electricity Storage Facilities," a category that can include gas-fired generation, than to equivalent battery storage confers a material evaluation advantage on an emitting resource.[6] ORA asks the IESO to extend the fix to all emitting resources. Reservoir hydroelectricity is also an emitter: reservoirs release methane, carbon dioxide and nitrous oxide over their full lifecycle.[7],[8] No rated criterion, clean energy credit or environmental attribute should confer an evaluation

advantage on hydroelectricity on the basis that it is “clean” or “non-emitting,” because it is neither.

ORA Recommendation 6: That rated criteria, and any environmental attribute or clean energy credit mechanism, confer no evaluation advantage on emitting resources, whether fossil gas or reservoir hydroelectricity, and that duration-related criteria be applied evenly across resource types that provide equivalent reliability services.

Show Ratepayers the Numbers:

ORA supports the greater transparency that the IESO is contemplating for unsuccessful proposals and asks it to go one step further than currently proposed. The IESO has said it will not release aggregated pricing statistics. Aggregated, anonymized pricing ranges, by technology, are precisely the information ratepayers need to judge whether procurement outcomes represent value for money, and they can be published without exposing any individual bid. Both Brookfield Renewable and Environmental Defence supported aggregated disclosure; ORA asks that it include pricing ranges.

ORA Recommendation 7: That the IESO publish aggregated, anonymized pricing ranges by technology for unsuccessful proposals, so that ratepayers can assess whether procurement outcomes represent value for money.

Water is the Fuel, and it’s Declining:

ORA's foremost substantive concern is the treatment of hydroelectricity under the repowering framework. The framework is technology-agnostic, uses a broad definition with no equipment thresholds, and now includes a legacy pathway under which any facility in service for 23 years or more, including aging dams, can repower into a new 20-year LT2 contract. The Ontario Waterpower Association pressed the IESO at the June 16 session for hydro contract terms longer than 20 years, and the IESO replied that this is “definitely on the table”[2] and that the 40-year LLT stream “might be the most appropriate place” to repower hydro. The only guardrail on performance is an Independent Engineer's opinion that it is “reasonable to assume at least an additional 20-year useful life,” and the IESO has declined to require any confirmation that the facility will actually perform over the contract term.

For hydroelectricity, useful life is not the risk; fuel availability is. Hydroelectricity's fuel is water, and climate change is making that fuel less reliable. Ontario's own Provincial Climate Change Impact Assessment finds that “the highest risks across all sub-categories were found to be for electrical power generation infrastructure,” risks that are “‘high’ now and expected to remain ‘high’ for all future time periods,” and that “low water flows due to drought conditions can reduce hydroelectricity generation efficiency or outputs.”[9]

This is not hypothetical. Statistics Canada has documented three consecutive dry years of reduced hydroelectric generation,[10],[11],[12] and Manitoba Hydro booked roughly $220 million in drought losses across two fiscal years.[13],[14] The IESO's own documents likewise describe hydroelectricity as an energy-limited resource that “cannot be relied on at full output in all hours.”[15] The IESO is therefore contracting for energy it may not receive. A 20-year, or 40-year, fixed-price contract for an energy-limited resource whose fuel is declining under climate change is a resource-adequacy and ratepayer-value risk that falls squarely within the IESO's mandate, and ORA asks the IESO to act consistently with its own finding.

ORA Recommendation 8: That, consistent with the IESO's own characterization of hydroelectricity as energy-limited, the IESO stress-test the imputed production factors

submitted for hydroelectric repowering against forward, climate-adjusted hydrology, and require performance security and non-performance charges robust enough that ratepayers are not left carrying the cost of under-delivery.

One Window or More?

ORA also asks the IESO to clarify a matter of procurement governance. In earlier engagements, the IESO indicated that the LLT RFP would be a single procurement.[16] At the June 16 session, the IESO spoke repeatedly of "future windows of LLT" and of routing repowered hydro into a "continued use of the LLT mechanism."[2] If the LLT is now to be a recurring channel, it materially expands the volume of long-duration, ratepayer-backed hydro commitments, and ratepayers are entitled to know.

ORA Recommendation 9: That the IESO confirm on the public record whether the LLT RFP is now a recurring procurement rather than a single one, and reconcile any change with its earlier statements, so that the full scope of long-duration ratepayer commitments is transparent.

Hydropower is Not 'Clean' or 'Non-Emitting':

Reservoir hydroelectricity is repeatedly described by the Minister in *Energy for Generations* and by the Ontario Waterpower Association as "clean" and "non-emitting." It is neither.[17]

Reservoirs emit methane, carbon dioxide and nitrous oxide across a lifecycle of a century or more; reservoir methane alone accounted for 5.2 percent of global anthropogenic methane emissions in 2020.[18] Unlike a gas plant, which can be retired and switched off when it is no longer needed, a dam cannot be switched off: it continues to emit for the full life of the structure, commonly understood to last for 100 years or more. And unlike wind and solar, which carry a legislated up-front Decommissioning Plan Report under O. Reg. 359/09,[19] hydroelectric facilities carry no up-front decommissioning security, so their eventual removal and site restoration become a liability for future governments, ratepayers and taxpayers. Assigning environmental value to hydroelectricity through clean energy credits while ignoring these greenhouse gas emissions and liabilities is an accounting inconsistency that ratepayers, and the public interest the IESO is bound to serve, cannot afford.

In its June 12 Response to ORA, the IESO deferred hydroelectricity's environmental and end-of-life risks to "the relevant regulatory and approval authorities." That deferral offers neither ratepayers nor the public any protection. For waterpower, the governing process is the Class Environmental Assessment for Waterpower, which was written by the Ontario Waterpower Association, the industry's own promotional body, in a provincial modernization exercise.[20] It makes no provision for fish passage or dam decommissioning and has been streamlined so that the proponent itself determines the level of risk and how to proceed. The consequences are visible across the province: of roughly 224 hydroelectric facilities in Ontario, only two provide operating fish passage, both limited to one-way eel ladders, while every other dam permanently fragments its river. The IESO cannot discharge its public-interest duty by relying on an industry-authored, self-directed process that guarantees none of these protections.

ORA Recommendation 10: That the IESO, in its own procurement and contract design, assign reservoir hydroelectricity no clean energy credit or environmental attribute value and no rated criteria advantage on the basis that it is "clean" or "non-emitting," and require any hydroelectric contract to include up-front decommissioning security, so that lifecycle emissions and end-of-life costs are borne by the proponent rather than by ratepayers and taxpayers.

ORA Recommendation 11: That the IESO not treat the Class Environmental Assessment for Waterpower as adequate protection of the public interest, given that it was authored by the Ontario Waterpower Association and assures neither fish passage nor dam decommissioning, and that the IESO instead account for these unaddressed risks in its evaluation of hydroelectric proposals.

Communications and Independence:

ORA notes one further design element. The IESO proposes requiring suppliers to report their planned public communications and disclose that information to the Ministry of Energy and Mines. ORA asks the IESO to explain what purpose this reporting serves for grid reliability or ratepayer protection, given that it routes suppliers' public communications to the political level and sits uneasily with the IESO's standing as an independent operator.

There Are Limits:

The Province is telling ratepayers and taxpayers that it must procure new electricity projects to become an “energy superpower.” But there are limits: the limit of what ratepayers can afford, and the limit of what the climate can absorb. Locking ratepayers into decades of fixed-price contracts for an energy-limited, methane-emitting resource that cannot compete on its own merits, that must be handed incentives and perks to take part, that cannot be switched off, and that carries no funded provision to decommission the dam when it is no longer viable, respects neither limit. ORA urges the IESO to hold to its own evidence, its own stated principles, and its statutory duty to act in the public interest.

Respectfully submitted,

Linda Heron
Chair, Ontario Rivers Alliance
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End Notes

1. *IESO. Long-Term 2 (LT2) RFP Window 2 Engagement Presentation. June 16, 2026. https://ieso.ca/-/media/Files/IESO/Document-Library/engage/long-term-rfp/iesolt2-20260615-engagement-presentation.pdf*
2. *IESO. LT2 RFP Window 2 Stakeholder Engagement Webinar, recording. June 16, 2026. https://youtu.be/R4GYXgYuGGI?si=lD8KPrDNVUSI6fIp*
3. *RTO Insider. Mining Loads Shape IESO's Northwest Ontario Forecast. 2026. https://www.rtoinsider.com/134466-mining-loads-shape-ieso-northwest-ontario-forecast/*
4. *Environmental Defence Canada. Feedback on the Long-Term 2 RFP. May 8, 2026. https://www.ieso.ca/en/Sector-Participants/Engagement-Initiatives/Engagements/Long-Term-RFP*
5. *IESO. Hybrid Resource Portfolio Equivalency Assessment. August 2025. https://ieso.ca/-/media/Files/IESO/Document-Library/Technical-papers/Hybrid-Resource-Equivalency-Assessment.pdf*
6. *IESO. Long-Term 2 RFP (LT2(c-1)), Rated Criteria and Evaluated Proposal Price provisions. 2026. https://www.ieso.ca/en/Sector-Participants/Engagement-Initiatives/Engagements/Long-Term-RFP*
7. *Deemer, B. R., Harrison, J. A., Li, S., et al. Greenhouse Gas Emissions from Reservoir Water Surfaces: A New Global Synthesis. BioScience, vol. 66, no. 11, pp. 949 to 964, 2016. https://academic.oup.com/bioscience/article/66/11/949/2754271*
8. *Wang, R., Bastviken, D., Muller, K., et al. Inland Waters Increasingly Produce and Emit Nitrous Oxide. Environmental Science and Technology, vol. 57, no. 36, 2023. https://pubs.acs.org/doi/10.1021/acs.est.3c04230*

9. *Ontario Ministry of the Environment, Conservation and Parks. Ontario Provincial Climate Change Impact Assessment. 2023. https://www.ontario.ca/page/ontario-provincial-climate-change-impact-assessment*
10. *Statistics Canada. Hydroelectricity generation dries up amid low precipitation and record high temperatures: Electricity year in review 2023. 2024. https://www.statcan.gc.ca/o1/en/plus/5776-hydroelectricity-generation-dries-amid-low-precipitation-and-record-high-temperatures*
11. *Statistics Canada. Dry weather dampens overall generation: Electricity year in review, 2024. 2025. https://www.statcan.gc.ca/o1/en/plus/8076-dry-weather-dampens-overall-generation-electricity-year-review-2024*
12. *Statistics Canada. Electricity generation from combustibles and renewables sharply increase amid another dry year: Electricity year in review 2025. 2026. https://www.statcan.gc.ca/o1/en/plus/9117-electricity-generation-combustibles-and-renewables-sharply-increase-amid-another-dry-year*
13. *Manitoba Hydro. Manitoba Hydro posts $157 million net loss due to drought: 2023 to 24 Annual Report. October 2024. https://www.hydro.mb.ca/articles/2024/10/manitoba-hydro-posts-157-million-net-loss-due-to-drought-2023-24-annual-report/*
14. *Manitoba Hydro. Manitoba Hydro posts $63 million loss due to drought: 2024 to 25 Annual Report. September 2025. https://www.hydro.mb.ca/articles/2025/09/manitoba-hydro-posts-63-million-loss-due-to-drought-2024-25-annual-report/*
15. *IESO. North of Sudbury Bulk Plan, Update Webinar Presentation. May 20, 2026. https://ieso.ca/-/media/Files/IESO/Document-Library/engage/bulk-planning/nsbp-20260520-presentation.pdf*
16. *IESO. Long Lead-Time (LLT) RFP engagement presentation indicating a single procurement: "The IESO notes that the LLT RFP is currently structured as a one-window procurement (i.e. no subsequent rounds of the LLT RFP are contemplated at this time)." Slide 51 of 54. https://www.ieso.ca/-/media/Files/IESO/Document-Library/engage/llt/llt-rfp-20251218-presentation.pdf*
17. *Ontario Ministry of Energy and Electrification. Energy for Generations: Ontario's Integrated Energy Plan to Power the Strongest Economy in the G7. June 12, 2025. https://www.ontario.ca/files/2025-07/mem-energy-for-generations-en-2025-07-18.pdf*
18. *Soued, C., Harrison, J. A., Mercier-Blais, S., et al. Reservoir CO2 and CH4 emissions and their climate impact over the period 1900 to 2060. Nature Geoscience, vol. 15, pp. 700 to 705, 2022. https://doi.org/10.1038/s41561-022-01004-2*
19. *Renewable Energy Approvals under Part V.0.1 of the Environmental Protection Act, O. Reg. 359/09. https://www.ontario.ca/laws/regulation/090359*
20. *Ontario Waterpower Association. Class Environmental Assessment for Waterpower Projects, Tenth Edition. https://owa.ca/wp-content/uploads/2024/06/Class-EA-for-Waterpower-Projects-Tenth-Edition.pdf*