

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](#)

RES is concerned that any domestic content provisions may increase costs for ratepayers, risk project delivery timelines or may have other unforeseen negative consequences. Should IESO elect to introduce domestic content requirements they should be aligned with availability of domestic content and constructed in a means that does not increase costs for ratepayers or put project delivery timelines at risk.

Canada is a relatively small renewable energy market and many key products are not available or available competitively in Canada. Given the small market and limited suppliers, there is limited competition, giving suppliers monopoly power and potentially pushing up prices, resulting in increased costs ultimately pushed to ratepayers. Prices from suppliers could also become more volatile, increasing costs post bid, decreasing the change that a project would be completed.

Furthermore, with limited suppliers, there is greater supply chain risk and less certainty as to supply, providing greater risk to delivery timelines and ultimately project delivery. There are also risks of increased costs due to compliance/ audit enforcement.

Ontario also has a challenging history with domestic content in renewable energy projects, providing legislation which fell afoul of WTO rules in the past. In order to avoid uncertainty around domestic content, any requirements should be screened to ensure compliance with WTO and any other applicable legislation, otherwise the increased uncertainty will unnecessarily push up project costs and increase risks of project delivery.

Finally, as LT2 is intended to be a technology agnostic tender, requirements around domestic content must be structured in such a way that a particular technology is not favoured over another.

Increased Proposal Fees

Do you have feedback on newly proposed fees?

RES is supportive of proposal fees which reflect actual evaluation costs incurred by IESO.

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?

RES recommends that the IESO not remove the DARTA mechanism for Window 2. Removing DARTA would transfer day-ahead to real-time (DA/RT) settlement risk onto proponents raising evaluated proposal prices and reducing participation, with the sharpest effect on non-dispatchable resources.

Whereas IESO can balance out mismatch between DA forecast and RT energy sales with additional resource, a non-dispatchable participant cannot balance this mismatch. Retaining DARTA preserves the risk-reward balance proponents priced against in Window 1 and is the outcome RES asks the IESO to adopt.

The June 16 rationale is that proponents will have roughly two years of DA/RT data by the Window 2 submission deadline and that it is sufficient to manage this risk. RES does not dispute that these data improve a proponent's ability to price the risk but managing the risk is separate as this data does not improve a proponent's ability to act to mitigate it.

A merchant participant can manage DA/RT exposure by choosing when to schedule day-ahead. Critically, it can withdraw on days when weather-driven forecast uncertainty for wind or solar output is high, avoiding the costly real-time buybacks associated with non-delivery. An non-dispatchable supplier has no equivalent lever. Its settlement is based on deemed, centrally forecast day-ahead quantities it does not control, including on the very high-uncertainty weather days that a merchant would choose to sit out. More data only yields a more precise estimate of an exposure the supplier has no operational means to avoid. The natural response is a higher risk premium.

It is worth being precise about what DARTA does, because removing it opens no upside. Under Exhibit J, DARTA is a one-directional floor protecting 85% of a facility's day-ahead scheduled revenues, and it applies to wind and solar facilities only. Where the DA/RT deviation is favourable, DARTA is zero and any gain is already netted to the Indexed Fixed Price by the imputed-revenue model. DARTA is therefore the only mechanism reconciling DA/RT settlement risk for these resources and its removal would leave the supplier's return capped by the settlement but no longer protected against that risk.

Removing DARTA without an offsetting mechanism does not eliminate the cost of this risk. Instead, it relocates the risk into embedded premiums that are larger and less efficient for resources that cannot lay the risk off operationally. This works against the affordability objective the LT2 RFP is intended to serve.

Retaining DARTA for Window 2 also serves the IESO's own stated direction. It preserves the risk-reward symmetry proponents relied on in Window 1, and it extends the operating history of the day-ahead market under live LT2 conditions, giving proponents a longer and more representative DA/RT pricing record before any future change is considered. This makes any eventual transition better evidenced and easier for participants to price, rather than imposing it while the market record is still short and the exposure cannot yet be managed.

RES appreciates the opportunity to provide feedback on the settlement design and would welcome further engagement with the IESO on the Window 2 E-PPA design.

Locational Rated Criteria

Do you have feedback on the proposed locational rated criteria?

RES recognizes that there is limited transmission in the north and would support efforts to enable additional capacity there. Any changes to the locational rated criteria should be finalized as early as possible to allow developers to site their projects accordingly.

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?

Although RES recognizes that the challenges of an awarded project which does not progress and it would support further measures to ensure all projects progress, it does not support changes to the bid rules applied retroactively.

General Comments/Feedback

Do you have additional feedback to share with the IESO?