

IESO LONG-TERM 2 CAPACITY SERVICES
(WINDOW 1) REQUEST FOR PROPOSALS

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SECTION 1 – INTRODUCTION

1.1 Independent Electricity System Operator

- (a) The Independent Electricity System Operator (the “**IESO**”) works at the heart of Ontario’s power system as the system operator, directing the flow of electricity across the grid and administering the wholesale electricity market. It sets the hourly Ontario electricity price and ensures there is enough power to meet the province’s energy needs in real time. The IESO works with stakeholders and communities across the province to plan and secure energy for the future, as well as to guide conservation efforts in Ontario. The IESO has a role in planning for and competitively procuring resources that meet Ontario’s needs today and into the future. These may be met through diverse resources such as wind, solar, hydro, biomass, nuclear, natural gas, demand response, conservation, storage or other innovative technologies.
- (b) The IESO is governed by an independent board of directors that is appointed by the Government of Ontario. Its fees and license are set by the Ontario Energy Board (the “**OEB**”) and it operates independently of all other participants in the electricity market.
- (c) Credit ratings for the IESO have been issued by Moody’s and DBRS Morningstar. Additional information about the IESO can be obtained from www.ieso.ca.

1.2 Purpose and Background of the LT2(c-1) RFP

- (a) After more than a decade of strong supply, Ontario is entering a period of emerging electricity system needs, driven by increasing demand, the refurbishment of nuclear generating units, as well as expiring contracts for existing facilities. Recognizing the necessity to address these needs in a timely, cost-effective and flexible manner, the IESO has engaged with stakeholders in the development of a resource adequacy framework. As Ontario’s electricity system evolves to become more diverse and dynamic, procurement processes must evolve along with it. The resource adequacy framework published on the IESO’s website targets robust competitive processes that focus on cost-effective reliability, while more effectively balancing ratepayer and supplier risk in this changing environment.
- (b) As described in the Annual Planning Outlook published on the IESO’s website in March 2024 some of the mechanisms intended to support the IESO’s resource adequacy initiatives are:
 - (i) the Long-Term 2 Capacity Services Request for Proposals (the “**LT2(c) RFP**”), which is intended to acquire capacity services to meet system reliability needs from New Build resources

representing up to a total of 1.6 GW of targeted contracted capacity;
and

- (ii) the Long-Term 2 Energy Supply Request for Proposals (the “**LT2(e) RFP**”), which is intended to acquire approximately 14,000 GWh of annual energy supply to meet system energy needs from New Build Electricity generating facilities.

As set out in the directive of the Ontario Minister of Energy and Mines issued to the IESO pursuant to subsection 25.32 of the Electricity Act dated November 28, 2024, as amended (the “**Ministerial Directive**”), the LT2(c) RFP is to be comprised of multiple procurement windows, each set out in distinct requests for proposals. This Long-Term 2 Capacity Services (Window 1) Request for Proposals (the “**LT2(c-1) RFP**”) is the first such procurement of the LT2(c) RFP. Similarly, pursuant to the Ministerial Directive, the LT2(e) RFP is to be comprised of multiple procurement windows and the Long-Term 2 Energy Supply (Window 1) Request for Proposals (the “**LT2(e-1) RFP**”) is the first such procurement by the IESO. This LT2(c-1) RFP, the LT2(e-1) RFP and any other procurement window of the LT2(c) RFP or the LT2(e) RFP are each distinct and independent procurement processes.

- (c) Through the Expedited Long-Term Request for Proposals published on December 6, 2022, as amended (the “**E-LT1 RFP**”) the IESO competitively procured more than 1.1 GW of year-round capacity services from new build Electricity resources and approximately 285 MW of year-round capacity services from eligible expansion Electricity resources, on a maximum contract capacity basis.
- (d) Through the Long-Term Request for Proposals published on September 29, 2023, as amended (the “**LT1 RFP**”) for new build and eligible expansion Electricity resources able to commit to commercial operation as early as 2028, the IESO competitively procured 2,194 MW of year-round capacity services on a maximum contract capacity basis.
- (e) The LT2(c-1) RFP is intended to competitively procure up to 600 MW of year-round capacity services (the “**Target Capacity**”), on a Maximum Contract Capacity basis.
- (f) The LT2(c-1) RFP is expected to competitively procure year-round Contract Capacity from dispatchable New Build resources equal to or larger than one (1) MW, able to become registered in the *IESO-administered markets*, other than as *variable generation*, or as a *self-scheduling generation facility*, and which can deliver a continuous amount of Electricity to a Connection Point on a Distribution System or Transmission System during the Qualifying Hours for at least eight (8) consecutive hours.

- (g) The Selected Proponents of the LT2(c-1) RFP are required to enter into a Long-Term 2 Capacity Services (Window 1) Contract in the form set out in APPENDIX B (the “**LT2(c-1) Contract**”) with the IESO for a commitment period commencing on the Commercial Operation Date of the Long-Term Capacity Services Project as set out in the LT2(c-1) Contract and expiring on April 30, 2050 (the “**Commitment Period**”).

1.3 Defined Terms

- (a) Capitalized terms used in this LT2(c-1) RFP have the respective meanings ascribed to them in APPENDIX A. Terms and acronyms used in this document that are italicized have the meanings ascribed in *Chapter 11* of the Market Rules available on the IESO’s website.
- (b) Capitalized terms used in Section 2.2 but not otherwise defined in the LT2(c-1) RFP have the meanings given to them in the LT2(c-1) Contract.

SECTION 2 – ELIGIBILITY AND CONTRACTUAL REQUIREMENTS

2.1 Eligibility Requirements

- (a) *Team Member Experience*
 - (i) The Proponent shall meet the Team Member Experience set out in this Section 2.1(a).
 - (ii) The Proponent must have at least two (2) Designated Team Members who have experience in the Planning, Developing, Financing, Constructing and Operating of at least one (1) Qualifying Project, where such individuals had managerial authority in respect of such functions (the “**Team Member Experience**”). The Proponent may have more than two (2) Designated Team Members on its Proponent Team to satisfy the aggregate Team Member Experience requirements relating to each of the Planning, Developing, Financing, Constructing and Operating requirements (for instance, if a Designated Team Member does not have experience in all of the five categories). For greater certainty, the experience of the Designated Team Members does not need to have been earned with the same Proponent or Control Group Member.
 - (iii) The Team Member Experience claimed for each Designated Team Member submitted as a part of the Prescribed Form: Proponent Information, Declarations and Workbook (Capacity) pursuant to Section 2.1(a)(ii) must be supported by an accompanying statutory declaration of an officer of the Proponent in respect of the information submitted in respect of Team Member Experience.

(b) *Single Person*

Each Proponent shall be a single Person and may not be an unincorporated joint venture of multiple Persons.

(c) *Long-Term Capacity Services Project*

- (i) Each Proponent shall make the necessary investments to successfully develop, own, operate and maintain a New Build facility with a Nameplate Capacity equal to or larger than one (1) MW, that provides dispatchable capacity services to meet system reliability needs, that is directly connected to a Distribution System or a Transmission System in Ontario, that it is registered under the Market Rules as a *registered facility* other than as *variable generation*, or as a *self-scheduling generation facility* and is capable of continuously delivering the Contract Capacity to a Connection Point for at least eight (8) hours during the Qualifying Hours (a “**Long-Term Capacity Services Project**”), should they be offered an LT2(c-1) Contract. Each Proposal must be specific to a single Long-Term Capacity Services Project. Where a Long-Term Capacity Services Project is the subject of a Proposal under this LT2(c-1) RFP, such Long-Term Capacity Services Project may not be the subject of a proposal submitted under the LT2(e-1) RFP.
- (ii) Proponents are reminded of the necessity to comply with Laws and Regulations, including for greater certainty the Distribution System Code, the Transmission System Code, the Market Rules and requirements of any applicable Municipalities, local service boards, conservation authorities, Indigenous Communities or other applicable authorities, as each may be applicable to their Long-Term Capacity Services Project. Proponents should be aware of required approvals, including environmental and municipal approvals, which may be required prior to construction of their resources, if applicable.
- (iii) Proponents are reminded of the important role that effective engagement with Indigenous and local communities, including Municipalities, play in the successful planning, development and operation of their Electricity resources and must be prepared to undertake their appropriate role in such engagement and address the interests or concerns of such communities in good faith and in compliance with Laws and Regulations. Proponents are encouraged to conduct early engagement with all Municipalities and Indigenous Communities that may be impacted by their proposed Long-Term Capacity Services Project and to inform such communities of the proposed location of the Project Site as early as possible. Proponents are also reminded that certain permits and approvals for

the proposed Long-Term Capacity Services Project may trigger consultation requirements with Indigenous Communities. Proponents are encouraged to refer to the Indigenous Consultation Information Package for additional resources related to Indigenous Community consultation and engagement. All Proposals where the Project Site is proposed to be located, in whole or in part on Municipal Project Lands or Indigenous Lands must include evidence of the delivery of a Pre-Engagement Confirmation Notice to the applicable Local Body Administrator dated no later than sixty (60) days prior to the Proposal Submission Deadline.

- (iv) For any Proposal where the Project Site is proposed to be located in whole or in part on Indigenous Lands, the Proposal must include an Indigenous Support Confirmation as a part of the Prescribed Form: Evidence of Indigenous Support (Capacity).
- (v) For any Proposal where the Project Site is proposed to be located in whole or in part on Municipal Project Lands, the Proposal must include a Municipal Support Confirmation as a part of the Prescribed Form: Evidence of Municipal Support (Capacity).
- (vi) For any Proposal in respect of a Crown Land Project, the Proponent must submit a letter from the Ontario Ministry of Natural Resources substantially in accordance with the form set out in Exhibit C of the Prescribed Form: Access Rights Declaration (Capacity) confirming that a completed Crown Land Site Report Form has been submitted by the Proponent and has the “endorsement” by the Ontario Ministry of Natural Resources in respect of the applicable lands as required by section 5(e) of the Ministerial Directive (an “**MNR Confirmation Letter**”). Additionally, any Proposal in respect of a Crown Land Project must include one or more Crown Land Shapefiles mapping the boundary of the Project Site (and, separately, that of any included Proposal PQ Alternates) that is consistent with Project Site information included in the Crown Land Site Report Form as part of the Prescribed Form: Access Rights Declaration (Capacity).
- (vii) For any Proposal where the Project Site is proposed to be located, in whole or in part on Unincorporated Territory, the Proponent must submit a letter from a Land Use Planner addressed to the Proponent and the IESO, that includes the seal or certificate of such Land Use Planner issued by the Ontario Professional Planners Institute, confirming that the Project Site (or applicable portion of the Project Site, with reference to a scale map) is located on Unincorporated Territory and confirming whether the Project Site (or applicable portion of the Project Site) has been designated as a Prime Agricultural Area or Specialty Crop Area (a “**Confirmation of**

Unincorporated Territory”) as part of the Prescribed Form: Confirmation of Unincorporated Territory (Capacity).

(d) *Agricultural Lands*

- (i) The Project Site in respect of a Long-Term Capacity Services Project may not include any lands located in areas designated as Specialty Crop Areas as of the Proposal Submission Deadline.
- (ii) Where a Long-Term Capacity Services Project is a Non-Rooftop Solar Project, the Project Site may not include any lands located in areas designated as Prime Agricultural Areas as of the Proposal Submission Deadline.
- (iii) Where the Project Site in respect of a Long-Term Capacity Services Project (other than a Non-Rooftop Solar Project) includes any lands located in areas designated as Prime Agricultural Areas as of the Proposal Submission Deadline, the Proponent shall:
 - (A) as a part of the Prescribed Form: Evidence of Municipal Support (Capacity) provide confirmation from the Local Municipality that the AIA Component One Requirement has been completed to the satisfaction of the Local Municipality; and
 - (B) if selected as a Selected Proponent, pursuant to the LT2(c-1) Contract complete an AIA Components Two and Three Requirement and provide confirmation from the Local Municipality that such an AIA Components Two and Three Requirement has been completed to the satisfaction of the Local Municipality as described in further detail below.

(e) *No Connection Impact Assessment Prior to Contract Award*

For any Proposal in respect of a Long-Term Capacity Services Project seeking to connect to a Distribution System, the Long-Term Capacity Services Project may not be the subject of a Connection Impact Assessment (whether issued or pending) submitted by or on behalf of the Proponent or any of its Affiliates as of the Proposal Submission Deadline and the Proponent must refrain from submitting a Connection Impact Assessment in respect of such Long-Term Capacity Services Project until such time as it has either been notified that its Proposal has not been selected pursuant to Section 5.4(a) or entered into the LT2(c-1) Contract in respect of such Long-Term Capacity Services Project. Where any Connection Impact Assessment in respect of a Proponent’s Long-Term Capacity Services Project has previously been submitted to an LDC, such Connection Impact Assessment

must be rescinded and permanently revoked prior to the submission of a Proposal in respect of such Long-Term Capacity Services Project.

(f) *Connection Point Requirements*

(i) In submitting its Connection Point as a part of the Proposal in the Proposal Workbook, a Proponent may provide a single Circuit or Feeder, as applicable, or, where multiple connections to Common Corridor Circuits or Common LDC Feeders may be applicable, the Proposal may specify a Connection Point comprised of:

- (A) for connections to a Transmission System, up to four (4) Circuits that are Common Corridor Circuits; or
- (B) for connections to a Distribution System, up to four (4) Feeders that are Common LDC Feeders.

For clarity, if a Connection Point is comprised of multiple physical connections to Common Corridor Circuits or Common LDC Feeders, all such connections must be either to a Transmission System (using only Common Corridor Circuits) or to a Distribution System (using only Common LDC Feeders) and no eligible Connection Point may be comprised of a combination of Circuits and Feeders.

- (ii) Subject to Section 2.1(f)(i), if the Long-Term Capacity Services Project is proposed to have multiple connections to Common Corridor Circuits or Common LDC Feeders, as applicable, the Proponent shall propose the portion of the proposed Contract Capacity (in MW) to be allocated to each Circuit or Feeder, as applicable, in the Proposal Workbook, subject to a minimum allocation of one (1) MW to each such Circuit or Feeder, and may designate one alternative allocation of the proposed Contract Capacity to any other Circuits or Feeders that are all Common Corridor Circuits or Common LDC Feeders, as applicable. Additionally, if the Long-Term Capacity Services Project is proposed to have a single electrical point of connection to a Circuit or Feeder for which there are Common Corridor Circuits or Common LDC Feeders, as applicable, the Proponent may designate in the Proposal Workbook one alternative allocation of the proposed Contract Capacity to any one or more of such Common Corridor Circuits or Common LDC Feeders, subject to a minimum allocation of one (1) MW to each such Circuit or Feeder.
- (iii) For any Proposal PQ Alternate proposing a Connection Point comprised of multiple connections to Common Corridor Circuits or Common LDC Feeders, as applicable, in the Proposal Workbook the

Proponent shall propose the allocation of the alternative portion of the smaller proposed Contract Capacity of the Proposal PQ Alternate to all or any combination of the Circuits or Feeders, as applicable, submitted pursuant to Section 2.1(f)(i) in respect of the Primary Proposal PQ. Each such Proposal PQ Alternate may also designate one alternative allocation of the smaller proposed Contract Capacity of the Proposal PQ Alternate to all or any combination of the alternative Circuits or Feeders (if any) designated pursuant to Section 2.1(f)(ii).

- (iv) For any Proposal that has provided an alternate allocation of proposed Contract Capacity across such Common Corridor Circuits or Common LDC Feeders as described in Section 2.1(f)(ii) or Section 2.1(f)(iii), as applicable, the IESO may, in its Discretion, select either of the proposed allocations, which selection will be communicated to the Selected Proponent(s) as a part of the preparation of the execution copy of the LT2(c-1) Contract provided pursuant to Section 3.8(a)(ii). For clarity, the Selected Proponent shall execute and deliver the LT2(c-1) Contract in accordance with Section 3.8(a).

2.2 Overview of the LT2(c-1) Contract

- (a) This Section 2.2 provides an overview of certain sections of the LT2(c-1) Contract and is for descriptive purposes only. For greater certainty, to the extent that there is any inconsistency between the descriptions in this Section 2.2 and the LT2(c-1) Contract, the terms of the LT2(c-1) Contract shall prevail.
- (b) The Proponents whose Proposals are selected must enter into the LT2(c-1) Contract as Suppliers under their own names.
- (c) Given its focus on system reliability needs, the LT2(c-1) Contract will compensate Suppliers for the availability of the capacity of their Facility during the Commitment Period. As such, the LT2(c-1) Contract will require that a Facility offer its Contract Capacity into the *IESO-administered markets* on Business Days for all hours from 07:00 to 23:00 EST or such other continuous 16-hour period over a maximum of five (5) days in any calendar week as may be prescribed by the IESO from time to time (such hours, “**Qualifying Hours**”). The IESO shall be entitled to exercise the right to prescribe a revised continuous 16-hour period on designated days to constitute Qualifying Hours on ninety (90) days’ prior written notice up to two times in each Contract Year.
- (d) *Monthly Payment*

- (i) The LT2(c-1) Contract will pay Suppliers a fixed monthly capacity payment based on the Indexed Fixed Capacity Payment (or IFCP_{my}) (in units of \$/MW-Business Day) multiplied by the number of Business Days in the month and multiplied by their Monthly Contract Capacity (the “**Monthly Capacity Payment**”). The Maximum Contract Capacity may not be more than ninety-five percent (95%) of the Nameplate Capacity of the Facility.
 - (ii) The IFCP_{my} will be established based on the Fixed Capacity Payment submitted in accordance with this LT2(c-1) RFP. For the first Contract Year the IFCP_{my} will be equal to the Fixed Capacity Payment adjusted for inflation based on the change in the Consumer Price Index from the month immediately preceding the Contract Date to the month immediately preceding the earlier of the Commercial Operation Date and the Milestone Date for Commercial Operation. For the second and each succeeding Contract Year, twenty percent (20%) of the Indexed Fixed Capacity Payment will be adjusted for inflation based on year-over-year change in the Consumer Price Index.
 - (iii) All market revenues attributable to the operation of the Facility in the *IESO-administered markets* or from other attributes or products generated from the physical operation of the Facility, will be for the benefit of the Supplier in accordance with the LT2(c-1) Contract.
- (e) *Commercial Operation*
- (i) If Commercial Operation of the Facility is not achieved by the Milestone Date for Commercial Operation, the Supplier shall pay to the IESO, as liquidated damages and not as a penalty, a sum of money equal to the amount of (1) the Liquidated Damages Rate multiplied by (2) the Maximum Contract Capacity for each Business Day after the Milestone Date for Commercial Operation, until Commercial Operation has been achieved. The “Liquidated Damages Rate” under the LT2(c-1) Contract is \$150/MW-Business Day of Maximum Contract Capacity.
 - (ii) If Commercial Operation is not achieved on or before the Longstop Date, it shall constitute a Supplier Event of Default. The “**Longstop Date**” under the LT2(c-1) Contract is the date that is eighteen (18) months after the Milestone Date for Commercial Operation.
 - (iii) For Facilities other than Electricity Storage Facilities, the LT2(c-1) Contract will seek to incentivize early operation. If Commercial Operation of such Facility is achieved before the COD Bonus End Date, the Supplier shall be entitled to apply a fixed payment multiplier to the Fixed Capacity Payment, which will be determined

based on the time period in which the COD was achieved (set out below in Section 2.2(e)(iv)) and which Early COD Payment Multiplier shall apply for the period starting on the COD until the COD Bonus End Date. The COD Bonus End Date shall be fixed and not subject to change for any reason, including an event of Force Majeure.

(iv) Early COD Payment Multiplier for Non-Electricity Storage Facilities

Commercial Operation Date	Early COD Payment Multiplier
Prior to and until April 30, 2029	1.5
From May 1, 2029 to December 31, 2029	1.4
From January 1, 2030 to April 30, 2030	1.2

(f) *Force Majeure*

Any Force Majeure that is claimed by the Supplier and accepted by the IESO during the Commitment Period shall reduce the Monthly Contract Capacity for the portion of the Qualifying Hours and the portion of the Contract Capacity for the Facility that is subject to an Outage arising from such confirmed Force Majeure event (the “**Force Majeure Capacity Reduction Factor**”) which will be applied to the Monthly Contract Capacity for purposes of calculating the Adjusted Monthly Contract Capacity. Any such Force Majeure shall also reduce the payment being made to the Supplier by way of the same Force Majeure Capacity Reduction Factor applied to the Monthly Capacity Payment for the applicable Settlement Month.

(g) *Performance Obligations*

- (i) The “**Must-Offer Obligation**” is the primary operating covenant of the LT2(c-1) Contract and will require that the Supplier offer, in a Settlement Month, Electricity output from the Facility into the Day-Ahead Market for dispatch during Qualifying Hours from the Facility’s Contract Capacity that is not subject to an Outage, such that the Monthly Average Offered Quantity for the Settlement Month is equal to or greater than its Adjusted Monthly Contract Capacity.
- (ii) After the completion of the third Contract Year, if the average of the Monthly Average Offered Quantity for each Settlement Month in

any rolling thirty-six (36)-month period during the Term is less than sixty-five percent (65%) of the average of the Adjusted Monthly Contract Capacity for such Settlement Months, it will be considered a Supplier Event of Default.

- (iii) For an Electricity Storage Facility, the calculation of Adjusted Monthly Contract Capacity (for purposes of determining non-performance as discussed below) will also account for the total number of Qualifying Hours in which the Facility is State-of-Charge Limited in the Settlement Month. The State-of-Charge Limited Reduction Factor for a Settlement Month will be equal to 1.0 (and thus will not impact offering requirements) if the DACP is replaced with a DALMP under the IESO Market Rules prior to the start of such Settlement Month.

(h) *Non-Performance*

- (i) If at the end of a Settlement Month, a Facility's Monthly Average Offered Quantity is less than the Adjusted Monthly Contract Capacity, an "**Availability Non-Performance Charge**" will be assessed and charged to the Supplier for the applicable Settlement Month, equal to the Fixed Capacity Payment multiplied by the applicable percentage shortfall below the Adjusted Monthly Contract Capacity and further multiplied by a monthly non-performance factor (the "**Non-Performance Factor**") set out below in Section 2.2(h)(ii).

(ii) Monthly Non-Performance Factors

Month	Factor	Month	Factor
January	2.0	July	2.0
February	2.0	August	2.0
March	1.5	September	2.0
April	1.0	October	1.0
May	1.0	November	1.0
June	1.5	December	1.5

- (i) *Regulatory Charge Credit and Global Adjustment for an Electricity Storage Facility*

- (i) Electricity Storage Facilities will be eligible for a regulatory charge credit (including a reimbursement for Global Adjustment (“GA”)), subject to a minimum round-trip efficiency assumption of seventy-five percent (75%) (where actual observed efficiency below such level will result in less than one hundred percent (100%) reimbursement of such charges based on the formula for the calculation of such credit in the LT2(c-1) Contract).
 - (ii) The credit will be based on the sum of regulatory energy charges incurred by the Supplier in respect of withdrawn Electricity specified in the LT2(c-1) Contract plus the GA reimbursement.
 - (iii) The reimbursement of GA will be equal to the amount of GA incurred by the Supplier, until the Facility is eligible to begin participation in the Industrial Conservation Initiative (“ICI”) program or any successor or replacement program designed to reduce or eliminate the Facility’s Global Adjustment cost obligation.
- (j) *Completion and Performance Security*
- (i) The Supplier must, as of the Contract Date, provide to the IESO, Completion and Performance Security in an amount equal to the applicable Proposal Security (as set out in Section 3.7(d)(ii)) in accordance with and within the period specified in Section 3.8(a)(iii)(A) of this LT2(c-1) RFP. The amount of the Completion and Performance Security as of the Contract Date is equal to the amount required for Proposal Security and a Selected Proponent must authorize the IESO to convert and maintain the Proposal Security to be held as Completion and Performance Security, rather than replacing the Proposal Security with separate Completion and Performance Security at the time of entering into the LT2(c-1) Contract.
 - (ii) From and after the Contract Date and until the end of the Term, the Supplier must maintain the Completion and Performance Security in the amount per MW of the highest Monthly Contract Capacity and for the period specified below:

Period	Amount of Completion and Performance Security (in \$ / MW)
From the Contract Date until COD	Amount of the Proposal Security as set out in Section 3.7(d)(ii)

From COD until the end of the Term	\$20,000/MW
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- (iii) The Completion and Performance Security must be in the form of a letter of credit in the form provided in the LT2(c-1) Contract (consistent with the form in Appendix D hereto), for the full amount of the Completion and Performance Security.

(k) *Indigenous Community Participation*

- (i) If the Supplier is awarded Rated Criteria Points in its Proposal as a result of a Proponent Indigenous Participation Level pursuant to Section 4.3(a) then the Supplier shall, within twenty (20) Business Days of a request by the IESO, provide written evidence documenting the Economic Interest in the Supplier that is held by the applicable Indigenous Community(ies) or Indigenous Holding Vehicle that is to the satisfaction of the IESO, acting reasonably.
- (ii) Until the fifth (5th) anniversary of the COD, if the Indigenous Participation Level is reduced, the Supplier shall provide written notice thereof to the IESO of such decrease, which notice shall include the revised Indigenous Participation Level and the effective date thereof.
- (iii) If the Indigenous Participation Level is not restored to a level of at least the level as at the Contract Date within six (6) months after such written notice pursuant to Section 2.2(k)(ii), then such failure to maintain an Indigenous Participation Level of at least such level until at least the fifth (5th) anniversary of the COD shall constitute a Supplier Event of Default.
- (iv) Notwithstanding the foregoing, where an individual Indigenous Community that held more than ten percent (10%) of the Economic Interest in the Supplier as of the Contract Date (including through an Indigenous Holding Vehicle, if applicable) provides a written notice to the IESO, signed by one or more individuals with authority to bind the applicable Indigenous Community, requesting a reduction in the Indigenous Participation Level prior to the fifth (5th) anniversary of the Commercial Operation Date, to a level that may not be less than the Minimum Reduced IPL, such reduced Indigenous Participation Level shall be deemed to re-set the Indigenous Participation Level for purposes of this obligation. Such reduction may be exercised only once prior to the fifth (5th) anniversary of the Commercial Operation Date.

(l) *AIA Components Two and Three Requirement for Project Sites on Prime Agricultural Areas*

- (i) Where the Project Site in respect of a Facility includes lands that are located within a Prime Agricultural Area as of the Proposal Submission Deadline (other than a Facility that is a Non-Rooftop Solar Project, which is not eligible to be located within Prime Agricultural Areas), the Supplier shall, by no later than the eighteen (18) month anniversary of the Contract Date, provide the IESO with a written notice containing confirmation from an authorized representative of any Local Municipality that has jurisdiction over land use planning in respect of all or any portion of the Project Site confirming that the Supplier has completed an AIA Components Two and Three Requirement with respect to the Facility and stating that such AIA Components Two and Three Requirement is satisfactory to the Local Municipality.
- (ii) If the Supplier fails to meet the requirements described above such failure shall constitute a Supplier Event of Default under the LT2(c-1) Contract. If the IESO elects to terminate the LT2(c-1) Contract as a result of such Supplier Event of Default, such termination shall be without any costs or payments of any kind to either Party and all Completion and Performance Security shall be returned to the Supplier.

(m) *GHG Abatement Plans for Natural Gas*

- (i) On December 13, 2024 the Government of Canada published Clean Electricity Regulations: SOR/2024-263 under the *Canadian Environmental Protection Act, 1999*, which, among other things, require natural gas-fired facilities with commissioning dates after 2027 and which do not utilize eligible carbon capture and storage systems, to meet the emissions standards for Greenhouse Gas set out therein by 2035.
- (ii) For natural gas-fired Facilities, if GHG Limitations apply to the operations of the Facility by a designated specific date (including those described above), the Supplier shall, by the later of (i) the first anniversary of the Contract Date and (ii) sixty (60) days after the date on which Laws and Regulations implementing such GHG Limitations come into force, provide the IESO with an abatement plan to describe the manner in which the Supplier will comply with such limitations.
- (iii) Where compliance with such requirements will have a material adverse effect on the Supplier, the Supplier may elect, on a one-time basis, to either:

- (A) place the Facility in Safe Standby State; or
- (B) carry out CES Decommissioning.

If the Supplier elects to place the Facility in Safe Standby State, Monthly Payments will continue unchanged for the remainder of the Term and Availability Non-Performance Charges will not be applicable. Where the Facility has been placed in Safe Standby State in accordance with the LT2(c-1) Contract and the applicable Laws and Regulations cease to apply to the Facility during any remaining portion of the Term, the Must-Offer Obligation and Availability Non-Performance Charges will re-apply to the Supplier and Monthly Payments will be calculated on that basis.

- (iv) If the Supplier elects CES Decommissioning, the Fixed Capacity Payment will be reduced by twenty-five percent (25%) and Monthly Payments will be calculated on that basis for the remainder of the Term.

(n) *Adjustment for Post-Proposal Applicable Tariffs*

If the Supplier's Capital Cost increases by more than ten percent (10%) as a direct result of the Supplier or its direct or indirect contractor or subcontractor being required to pay any Post-Proposal Applicable Tariffs, the Supplier will have the opportunity, on no more than two (2) occasions, to deliver to the IESO a notice with a proposed revised Fixed Capacity Payment, which the IESO may accept or reject in its sole and absolute discretion. Where the IESO rejects such proposed revised Fixed Capacity Payment, the LT2(c-1) Contract will be automatically terminated, and the Completion and Performance Security shall be returned to the Supplier.

(o) *Gas Turbine Delivery Delay*

Where the Facility utilizes natural gas or biogas as its energy source and, despite its use of Commercially Reasonable Efforts, the Supplier is unable to cause the delivery of one or more combustion turbines that are to be incorporated into the Facility to the Project Site by the date that is eighteen (18) months prior to the Milestone Date for Commercial Operation (the Gas Turbine Delay Date), and provided the Supplier provides evidence of a binding third-party equipment purchase and that it has paid a deposit for such turbine(s), the definition of the term "Expiry Date" set out in Section 1.1 of the LT2(c-1) Contract shall be automatically amended to extend the date of April 30, 2050 set out therein by that number of days by which the scheduled delivery of the gas turbine(s) to the Project Site exceeds the Gas Turbine Delay Date.

(p) *Gas Transmission System Upgrade Cost Sharing*

Where the Facility utilizes natural gas as its energy source and is connected to the natural gas distribution network of any Gas Distributor and the Supplier is required by any order of the OEB to pay for, or reimburse a Gas Distributor for, the costs of any upgrades to any natural gas transmission system in Ontario, by way of a contribution in aid of construction, or in any dedicated Rate Rider that is specific to such costs, provided the Supplier has used Commercially Reasonable Efforts to mitigate or avoid such costs, seventy-five percent (75%) of such costs will be added to the payments from the IESO under the LT2(c-1) Contract.

(q) *Transmission Connection Cost Exceedance*

Where the Facility's proposed Connection Point is located on a Transmission System, if the Supplier's cost of electrical interconnection of the Facility to the Connection Point that is reflected in a written estimate of such costs provided by the applicable Transmitter for purposes of a connection and cost recovery agreement or similar binding agreement for the cost recovery of electrical interconnection to the Connection Point, despite its use of Commercially Reasonable Efforts and Good Engineering and Operating Practices to minimize such costs, is more than thirty percent (30%) higher than the costs reflected in the IESO Generalized Tx Connection Cost Reference, the Supplier may provide a Tx Connection Cost Exceedance Notice to the Buyer in which the Supplier must provide supporting details of such anticipated Tx Connection Cost Exceedance and request the termination of the LT2(c-1) Contract. No later than thirty (30) Business Days after its receipt of a Tx Connection Cost Exceedance Notice, the Buyer shall provide a Buyer Tx Connection Cost Exceedance Confirmation to the Supplier confirming whether or not it agrees, acting reasonably, that the Transmitter's estimated costs would constitute a Tx Connection Cost Exceedance. Where the Buyer Tx Connection Cost Exceedance Confirmation confirms the Supplier's substantiation of the anticipated Tx Connection Cost Exceedance, the Buyer shall elect in such notice that either (i) the Buyer shall reimburse the Supplier following COD for seventy-five percent (75%) of the amount by which the Paid Connection Costs exceed one hundred and thirty percent (130%) of the costs reflected in the IESO Generalized Tx Connection Cost Reference as of the Proposal Submission Deadline, or (ii) the LT2(c-1) Contract shall be automatically terminated and all Completion and Performance Security shall be returned to the Supplier within twenty (20) Business Days of the Buyer's Tx Connection Cost Exceedance Confirmation.

2.3 No Exclusivity of Contract

The LT2(c-1) Contract, if any, executed with a Supplier will not be an exclusive contract for the provision of capacity services to meet system reliability needs. The IESO may contract with others for the same or similar products or services from other resources or may otherwise obtain the same or similar products or services by other means.

SECTION 3 – LT2(c-1) RFP PROCESS OVERVIEW

3.1 Schedule

- (a) Below is the schedule relating to this LT2(c-1) RFP process (the “Schedule”):

Milestone	Date
IESO’s release of the final LT2(c-1) RFP and LT2(c-1) Contract	June 27, 2025 (the “ RFP Effective Date ”)
Proponent’s deadline for submitting questions and comments, if any	August 21, 2025 (the “ Question and Comment Deadline ”)
IESO’s deadline for issuing Addenda to the LT2(c-1) RFP and LT2(c-1) Contract, if any	September 11, 2025
Proponent’s deadline for registration	October 3, 2025
Proposal submission deadline	December 18, 2025 at 3:00 P.M. (EPT) (the “ Proposal Submission Deadline ”)
Target date for notification to Selected Proponents	June 16, 2026

- (b) The IESO reserves the right to accelerate or postpone any of the dates set out above and to add to, eliminate, or re-order any of the steps set out in the Schedule. The IESO may amend the Schedule from time to time by Addendum, which will be posted on the Website.

3.2 Questions and Comments

- (a) This LT2(c-1) RFP and the LT2(c-1) Contract, as applicable, will be public and accessible via the Website. Interested parties are encouraged to promptly examine all such documentation and: (i) report to the IESO any errors, omissions or ambiguities; and (ii) send to the IESO any questions they may have regarding the LT2(c-1) RFP and the LT2(c-1) Contract by submitting a question or a comment by e-mail to LT2.RFP@ieso.ca on or before the Question and Comment Deadline specified in the Schedule. The IESO will not be responsible for, nor be obliged to respond to, questions or

comments submitted from another location of the IESO's website or to any other e-mail address.

- (b) Questions marked as confidential will not be accepted by the IESO. Questions and comments received in the manner prescribed above that request clarification of the LT2(c-1) RFP and the LT2(c-1) Contract will be posted on the Website with the IESO's response, but the identity of any party asking any question or making any comment will not be revealed.
- (c) The IESO is under no obligation to provide additional information or answers but may do so at its sole Discretion. When posting questions to the Website, the IESO may make conforming changes to the question to remove identifying or Proponent-specific information.
- (d) It is the responsibility of an interested party to seek clarification by submitting questions or comments in the manner provided above on any matter that it considers to be unclear. The IESO shall not be responsible for any misunderstanding on the part of an interested party concerning any aspect of this LT2(c-1) RFP.

3.3 Addenda

- (a) This LT2(c-1) RFP and the LT2(c-1) Contract may be amended only by Addendum in accordance with this Section 3.3. If the IESO, for any reason, determines that it is necessary or appropriate to amend or provide additional information relating to the LT2(c-1) RFP and the LT2(c-1) Contract such information will be communicated by posting such Addendum on the Website on or prior to the deadline for issuing Addenda set out in the Schedule. Each Addendum will be deemed to form an integral part of this LT2(c-1) RFP and the LT2(c-1) Contract, as the case may be.
- (b) Each Addendum may contain important information, including significant changes to this LT2(c-1) RFP, the LT2(c-1) Contract and their respective Prescribed Forms, and interested parties are responsible for visiting the Website as often as is necessary to ensure that they obtain all Addenda and other communications issued by the IESO from time to time.
- (c) The IESO may issue an Addendum or Addenda after the deadline for issuing Addenda specified in the Schedule. If any Addendum is issued after the deadline for issuing Addenda set out in the Schedule, the IESO may, in its Discretion, extend the Proposal Submission Deadline for a reasonable amount of time having regard to the circumstances.

3.4 Registration

- (a) As the first step of participating in this LT2(c-1) RFP, interested Proponents must submit a Prescribed Form: Registration Form (Capacity) to the IESO, specific to an individual proposed Long-Term Capacity Services Project, in

accordance with the specific details set out in the Prescribed Form: Registration Form (Capacity), together with a registration fee of five hundred Dollars (\$500) (the “**Registration Fee**”). The Prescribed Form: Registration Form (Capacity) shall require the Proponent to: (i) identify the Proponent; (ii) specify the proposed Long-Term Capacity Services Project’s generating or storage technology; (iii) identify the Maximum Contract Capacity for the proposed Long-Term Capacity Services Project; and (iv) provide certain information relating to the proposed Connection Point in respect of the proposed Long-Term Capacity Services Project. For greater certainty, registration pursuant to this Section 3.4(a) does not obligate a prospective Proponent to submit a Proposal.

- (b) Payment for the Registration Fee must be sent to the following bank account:

Beneficiary:	Independent Electricity System Operator
Beneficiary Address:	1600-120 Adelaide St West, Toronto ON M5H 1T1
Bank:	The Toronto-Dominion Bank
Bank Address:	55 King St West, Toronto ON M5K 1A2
Bank ID:	004
Transit No.:	10202
Account No.:	0690-5618464
Swift Code:	TDOMCATTTOR

In order to ensure that the Registration Fee deposited by the Proponent is identified and correctly applied, the electronic funds transfer or wire should include a deposit reference identifier (“**Registrant ID**”) in the form of: LT2-Proponent Name-Project Name-Year (Example: LT2(c-1)-CompanyA-Project A-2025). After making the payment, an email must be sent to LT2.RFP@ieso.ca with a copy to ieso.treasury@ieso.ca with the following information: (a) Proponent name (and if different from depositor, depositor name); (b) Project Name; (c) expected deposit date; and (d) amount of Registration Fee deposited.

- (c) If an interested Proponent would otherwise fail to meet the registration requirements set out in this Section 3.4 as a result of a manifest error or deficiency in the Prescribed Form: Registration Form (Capacity) or in the delivery Registration Fee, such as a missing date, name, signature or a typographical error, the IESO may, in its Discretion, issue a rectification notice identifying a perceived deficiency and in such case will provide the Proponent a single opportunity to rectify the perceived deficiency and submit the applicable corrected or completed materials within the time period specified by the IESO in such notice.
- (d) The IESO will respond to the Proponent confirming the Proponent’s registration and providing a Unique Project ID for the identified Long-Term

Capacity Services Project for purposes of this LT2(c-1) RFP in advance of the Proposal Submission Deadline.

3.5 Communications

- (a) The IESO does not wish to impair essential or appropriate communications by interested parties for the purposes of project planning, development, operations, regulatory compliance, participation in the *IESO-administered markets*, compliance with the requirements of this LT2(c-1) RFP, structuring or assembling a Proponent, participating in stakeholder engagement events administered by the IESO in respect of this LT2(c-1) RFP, or responding to stakeholder solicitations or requests for comments from the IESO in respect of this LT2(c-1) RFP (collectively, the “**Permitted Purposes**”). Therefore, the following communications rules apply with respect to this LT2(c-1) RFP:
 - (i) Communications in respect of this LT2(c-1) RFP must be only for the Permitted Purposes and for no other purposes; and
 - (ii) Permitted communications include communications with MPPs, mayors, municipal officials, municipal administrative staff, the media, members of the public, the IESO, the OEB, transmitters and distributors, for the Permitted Purposes and for no other purposes.
 - (iii) Communications in respect of this LT2(c-1) RFP shall not be for the purposes (the “**Excluded Purposes**”) of:
 - (A) obtaining (or attempting to obtain or lobbying to obtain) an unfair advantage in respect of the LT2(c-1) RFP;
 - (B) influencing (or attempting to influence) the terms or outcome of the LT2(c-1) RFP other than via participating in stakeholder engagement events administered by the IESO in respect of this LT2(c-1) RFP or the LT2(c-1) Contract, or responding to stakeholder solicitations or requests for comments from the IESO in respect of this LT2(c-1) RFP or the LT2(c-1) Contract;
 - (C) influencing (or attempting to influence) government officials, regulatory officials or the management or staff of the IESO, OEB or transmitters or distributors, with respect to this LT2(c-1) RFP;
 - (D) denying (or attempting to deny) any other potential Proponent’s fair, open and impartial consideration; or
 - (E) impairing (or attempting to impair) public confidence in the process or outcome of the LT2(c-1) RFP.

- (iv) The onus shall be on a Proponent to demonstrate that any communications in relation to this LT2(c-1) RFP were not communications for Excluded Purposes.
 - (v) Communication for any Excluded Purposes shall be and is hereby expressly excluded from the Permitted Purposes.
 - (vi) Communications with respect to this LT2(c-1) RFP between Proponents or prospective Proponents and any member of the IESO's management or board of directors, the Evaluation Team or its advisors, other than as expressly provided in this LT2(c-1) RFP, shall be considered to be communications for Excluded Purposes. Communications with IESO staff and the Ministry staff are permissible only for Permitted Purposes. Opportunities for communication with IESO or the Ministry staff or any other Person for Permitted Purposes shall not be used to carry out communications for Excluded Purposes.
- (b) If a Proponent or prospective Proponent has any questions regarding the appropriateness of specific communications, they are advised to seek clarification from the IESO via the e-mail address: LT2.RFP@ieso.ca.
 - (c) The IESO shall have the right to request and obtain from a Proponent, and the Proponent shall, if so requested, promptly provide to the IESO, information or clarification regarding the appropriateness of any communications by such Proponent that may be prohibited by this LT2(c-1) RFP. The Proponent shall provide all information reasonably necessary or appropriate to allow the IESO to assess whether such communications are or were for Permitted Purposes.
 - (d) In cases of breach of the foregoing communications rules, the IESO may, in its Discretion, disqualify a Proponent or revoke the status of a Proponent, as the case may be. No Proponent shall engage or have engaged in any communications that would constitute a Conflict of Interest or that would breach the Non-Collusion Requirements, failing which, the IESO may, in its Discretion, disqualify the Proponent.

3.6 Proposal Requirements

- (a) Proponents are responsible for ensuring that the Proposals are complete in every respect and in compliance with this LT2(c-1) RFP. Proponents should structure their Proposals in accordance with the instructions in this LT2(c-1) RFP. Where information is requested in this LT2(c-1) RFP, any response made in a Proposal should reference the applicable section numbers of this LT2(c-1) RFP where such request is made.

- (b) The Proposals shall be unconditional. Any Proposal that is submitted subject to any condition will be rejected and such Proposal will no longer be considered in this LT2(c-1) RFP process. Except as provided in Section 3.7(e)(iii), the Proposal Fee will be non-refundable.
- (c) Apart from the completion of any blanks, bullets or similar uncompleted information in the Prescribed Forms, no amendments may be made to the pre-printed wording of the Prescribed Forms, but copies, including multiple copies, may be made of the appropriate pages of the Prescribed Forms. The Prescribed Forms will be made available on the Website in a writable PDF, Word or Excel format. Any amendments made to the Prescribed Forms, whether on the face of such forms or contained elsewhere in the Proposal, may result in the disqualification of the Proposal. All Prescribed Forms populated with relevant information from the Proponent must be signed by a director, officer or other person who has the authority to bind the Proponent.
- (d) Certain Prescribed Forms are, or contain, statutory declarations. The onus is solely on Proponents to conduct all investigations and verifications necessary or appropriate, including any investigations required of any member(s) of the Proponent's team, to confirm that each of the statements set out in the declarations can be made accurately and truthfully. If the IESO determines in its Discretion that any matter declared is not materially true and correct, then the Proposal may be rejected. Additionally, misrepresentations in the Proposal will constitute a breach of the representations and warranties in the LT2(c-1) Contract.
- (e) The Proposal must be written in English only and must be submitted in electronic format, typed in black ink, printable on an 8.5 × 11-inch paper, and all pages in applicable documents should be numbered sequentially. Proposals should be collated and organized in a user-friendly manner, including an index, cross-referencing of the various supporting documentation and their respective page numbering systems, and should provide detailed responses.

3.7 Proposal Submission

- (a) *Limit*
 - (i) Only one Proposal may be submitted in respect of an individual Long-Term Capacity Services Project.
 - (ii) A Proponent must submit separate Proposals for each individual Long-Term Capacity Services Project. A Proponent may submit multiple Proposals, provided that no more than twenty (20) Proposals in total may be submitted by: (A) the Proponent; or (B) any Control Group Member of the Proponent; or (C) the Proponent

together with any Control Group Member of the Proponent (the “**Proponent Group Limit**”).

- (b) To be considered, a Proponent must submit all of the materials in Section 3.7(c)(i) (collectively, a “**Proposal**”). It is the Proponent’s responsibility to submit the Proposal to the IESO as prescribed by the requirements in Section 3.7(c) in all material respects. Any Proposal submission that is not received by the IESO per the requirements set out in Section 3.7(c) in all material respects will be rejected and the Proposal will no longer be considered in this LT2(c-1) RFP process. Except as provided in Section 3.7(e)(iii), the Proposal Fee will be non-refundable.
- (c) *Electronic Submission Requirements*
- (i) To constitute a complete Proposal, Proponents must submit all of the following documents that are applicable to the Proposal as a part of the Proposal, electronically to LT2.RFP@ieso.ca, prior to the Proposal Submission Deadline:

ELECTRONIC PROPOSAL REQUIREMENTS		
Item #	Proposal Document	Delivery and Format
1.	Proposal Fee	An electronic funds transfer or wire payable to the “Independent Electricity System Operator” in the amount of \$11,300 per Proposal (the “Proposal Fee”), which fee is inclusive of HST. A Proponent submitting multiple Proposals must submit the Proposal Fee separately for each Proposal.
2.	LT2(c-1)PF-PP100 - Prescribed Form: Economic Bid Statement (Capacity)	The proposed Fixed Capacity Payment (in \$ per MW per Business Day) shall be submitted by the Proponent in its Proposal and will be the subject of the price evaluation under the LT2 (c)RFP. In its Economic Bid Statement, the Proponent may, but is not obligated to, indicate up to two (2) Proposal PQ Alternates for purposes of the Deliverability Test assessment set out in Section 4.5. All Proponents must submit their proposed Fixed Capacity Payment (and details of any

		Proposal PQ Alternates) in the Prescribed Form: Economic Bid Statement (Capacity). Proponents are strongly encouraged to use a filename that follows the naming convention: Unique Project ID [●] LT2(c-1)PF-EB100.
3.	LT2(c-1)PF-PI100 - Prescribed Form: Proponent Information, Declarations and Workbook (Capacity)	All Proponents must submit an electronic copy of the completed Prescribed Form: Proponent Information, Declarations and Workbook (Capacity). As a part of this Prescribed Form, Proponents must submit the Proposal Workbook. Proponents are strongly encouraged to use a filename for the Prescribed Form: Proponent Information, Declarations and Workbook that follows the naming convention: Unique Project ID [●] LT2(c-1)PF-PI100. Proponents are strongly encouraged to use a filename for the Proposal Workbook that follows the naming: Unique Project ID [●] LT2(c-1)PF-PW100
4.	LT2(c-1)PF-AR100 - Prescribed Form: Access Rights Declaration (Capacity)	All Proponents must submit an electronic copy of the completed Prescribed Form: Access Rights Declaration (Capacity). Except where the Project Site is entirely located on Crown land, as a part of or attached to this Prescribed Form, Proponents must submit electronic copies of a single scale map of the Project Site showing the outer boundary of the Project Site and the Connection Point. Except where the Project Site is entirely located on Crown land, Proponents must provide evidence of access rights to the Properties included in the Project Site. Proponents must submit one or more parcel registers (or equivalent for lands not registered on the Ontario land titles system) in respect of the Project Site evidencing the registered owner of the Properties included in the Project Site.

		Except where the Project Site is entirely located on Crown land, where title to one or more Properties included in the Project Site is not in the name of the Proponent (including where title is held by an Affiliate of the Proponent), the Proponent must submit a letter addressed to the IESO signed by the documented title holder of such Properties (or the applicable Governmental Authority, where access to such Properties are controlled by such Governmental Authority) stating that the Proponent has: (i) the contractual right to acquire such Properties; or (ii) contractual rights to build, operate and maintain the Long-Term Capacity Services Project on such Properties, if it is selected as a Selected Proponent. Such title holder's statement shall not otherwise be qualified or conditional. Where the Proposal is in respect of a Crown Land Project, as a part of or attached to this Prescribed Form, the Proponent must submit an MNR Confirmation Letter, a Crown Land Shapefile and an attestation that the Project Site information contained in the Crown Land Shapefile is consistent in all material respects with the Project Site information included in the Proponent's Crown Land Site Report Form. Proponents are strongly encouraged to use a filename that follows the naming convention: Unique Project ID [●] LT2(c-1)PF-AR100.
5.	LT2(c-1)PF-CUT100 - Prescribed Form: Confirmation of Unincorporated Territory (Capacity)	If the Project is proposed to be located in whole or in part on Unincorporated Territory, the Proponent must submit an electronic copy of the completed Prescribed Form: Confirmation of Unincorporated Territory (Capacity). As part of or attached to this form, Proponents must submit a Confirmation of Unincorporated Territory, which must show the seal or certificate of the issuing Land Use Planner from the Ontario Professional Planners Institute.

		Proponents are strongly encouraged to use a filename that follows the naming convention: Unique Project ID [●] LT2(c-1)PF-CUT100.
6.	LT2(c-1)PF-IS100 - Prescribed Form: Evidence of Indigenous Support (Capacity)	If the Project Site is proposed to be located in whole or in part on Indigenous Lands, the Proponent must submit an electronic copy of the completed Prescribed Form: Evidence of Indigenous Support (Capacity). As a part of this form, Proponents must submit electronic copies of Indigenous Support Confirmation(s) dated no earlier than seven (7) months prior to the RFP Effective Date. Proponents are strongly encouraged to use a filename that follows the naming convention: Unique Project ID [●] LT2(c-1)PF-IS100.
7.	LT2(c-1)PF-MS100 - Prescribed Form: Evidence of Municipal Support (Capacity)	If the Project Site is proposed to be located in whole or in part on Municipal Project Lands, the Proponent must submit an electronic copy of the completed Prescribed Form: Evidence of Municipal Support (Capacity). As a part of or attached to this form, Proponents must submit electronic copies of Municipal Support Confirmation(s). Where the Municipal Support Confirmation is in the form of a Municipal Resolution in Support of Proposal Submission, the Municipal Resolution in Support of Proposal Submission must be dated no earlier than seven (7) months prior to the RFP Effective Date. Where the Municipal Support Confirmation is in the form of a Blanket Municipal Support Resolution, together with a Blanket MS Confirmation Letter, such Blanket MS Confirmation Letter must be dated no earlier than seven (7) months prior to the RFP Effective Date.

		Proponents are strongly encouraged to use a filename that follows the naming convention: Unique Project ID [●] LT2(c-1)PF-MS100.
8.	LT2(c-1)PF-IP100 - Prescribed Form: Evidence of Indigenous Community Participation (Capacity)	If the Proponent is seeking to attain the Rated Criteria Points in Section 4.3(a) and (if applicable) Section 0, in order to attain such Rated Criteria Points, the Proponent must submit an electronic copy of the completed Prescribed Form: Evidence of Indigenous Community Participation (Capacity). As a part of or attached to this Prescribed Form, Proponents must submit electronic copies of one or more organizational charts and securities registers documenting the Economic Interest in the Proponent held by one or more Indigenous Communities. Additionally, where Rated Criteria Points are sought under Section 0 and the Project Site is not located on Indigenous Lands, this Prescribed Form requires an attestation from an Individual with authority to bind an Indigenous Community whose Economic Interest in the Proponent is included in the Proponent Indigenous Participation Level, that the Project Site includes lands that are within the Indigenous Community's established or asserted traditional territory or homeland or are the subject of a treaty signed with the Indigenous Community. Proponents are strongly encouraged to use a filename that follows the naming convention: Unique Project ID [●] LT2(c-1)PF-IP100.

- (ii) The email submission made to LT2.RFP@ieso.ca must contain all Proposal documents identified in Section 3.7(c)(i) and should utilize the following naming convention in its email subject line: "**LT2(c-1) Unique Project ID [●] Submission**".
- (iii) The Proposal documents that are required to be submitted to the IESO in electronic format in accordance with Section 3.7(c)(i) must be received by the IESO in the LT2.RFP@ieso.ca inbox by no later than the Proposal Submission Deadline. Proponents are solely

responsible for their technology and the transmission of the Proposal submission (including the full amount of the Proposal Fee). The IESO shall utilize the time stamp generated at the time of receipt into the LT2.RFP@ieso.ca inbox.

Any delays due to firewalls, technical faults, file size, unreadable or partial scans of compiled documents, forms or attachments, electronic funds transfers, or a high volume of Proposals will not be taken into account. This time stamp (being the time that the email is received by the IESO) will be the sole determinant of whether electronic Proposal documents were received prior to the Proposal Submission Deadline. For clarity, the IESO will not be responsible for late deliveries, deliveries to the incorrect email address or location or other electronic delivery failures. Proposal documents submitted after the Proposal Submission Deadline will not be accepted. Due to limitations on the size of electronic delivery of emails to the LT2.RFP@ieso.ca email of twenty (20) megabytes, Proponents may submit their Proposal documents through multiple emails. Proponents are advised that the IESO's firewall may reject emails containing attachments when originating from certain public email platforms such as gmail.com; yahoo.com; hotmail.com; msn.com; sympatico.ca; rogers.com and similar public email systems. Proponents are strongly encouraged to utilize email systems operating on private servers for the electronic submission of Proposal materials.

For further clarity, if any email containing Proposal documents is shown to have been received in the LT2.RFP@ieso.ca inbox or payment of Proposal Fees are received in IESO's bank account at anytime after the Proposal Submission Deadline, the entire Proposal will be rejected and the Proposal will no longer be considered in this LT2(c-1) RFP process. Except as provided in Section 3.7(e)(iii), the Proposal Fee will be non-refundable. **Proponents are strongly encouraged to submit their Proposals and payments sufficiently in advance of the Proposal Submission Deadline to avoid any unforeseen delays in electronic delivery or processing of payments.**

- (iv) Payment for the Proposal Fee must be sent to the following bank account:

Beneficiary:	Independent Electricity System Operator
Beneficiary Address:	1600-120 Adelaide St West, Toronto ON M5H 1T1
Bank:	The Toronto-Dominion Bank

Bank Address: 55 King St West, Toronto ON M5K 1A2
 Bank ID: 004
 Transit No.: 10202
 Account No.: 0690-5618464
 Swift Code: TDOMCATTTOR

In order to ensure that Proposal Fee deposited by the Proponent is identified and correctly applied, the electronic funds transfer or wire should include a deposit reference identifier in the form of the Unique Project ID. After making the payment, an email must be sent to LT2.RFP@ieso.ca with a copy to ieso.treasury@ieso.ca with the following information: (a) Proponent name; (b) the Unique Project ID; (c) expected deposit date; and (d) amount of Proposal Fee deposited. Proponents are reminded that any bank wiring or electronic funds transfer fees (or equivalent) must be taken into account and Proponents are responsible to ensure that the full amount of the Proposal Fee is received by the IESO (net of any banking or transfer fees) by the Proposal Submission Deadline.

Any electronic funds transfers in the manner other than that described in this Section 3.7(c)(iv) will not be taken into account, except at the IESO's Discretion.

(d) *Hard Copy Submission Requirements*

- (i) In addition to the electronically submitted documents identified in Section 3.7(c)(i), a Proponent must provide the following Proposal documents in hard copy submission to the IESO's address provided in Section 3.7(d)(ii) prior to the Proposal Submission Deadline:

HARD COPY PROPOSAL REQUIREMENTS	
Proposal Document	Delivery and Format
Proposal Security	One original hard copy of the Proponent's Proposal Security in the amount specified in Section 3.7(d)(ii), which should be contained in a separate, opaque and sealed envelope marked " Proposal Security " and with the Unique Project ID.

- (ii) The amount of Proposal Security (which shall be converted into Completion and Performance Security upon execution of the LT2(c-1) Contract) shall be thirty-five thousand Dollars (\$35,000) per MW

of the Maximum Contract Capacity (with MW rounded to two decimal places in the event of partial MW), subject to a minimum total amount of five hundred thousand Dollars (\$500,000) and a maximum of fifteen million Dollars (\$15,000,000). Proposal documents required to be submitted to the IESO in hard copy format shall be delivered to the address below:

Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1
Attention: LT2(c-1) RFP

- (iii) The Proposal documents that are required to be submitted to the IESO in hard copy format in accordance with Section 3.7(d)(i) must be received by the IESO in a single envelope, specific to each individual Proposal, prior to the Proposal Submission Deadline. The IESO shall create a time stamp upon receipt of the hard copy materials and provide the Proponent a record of such time stamp. This time stamp will be the sole determinant of whether hard copy Proposal documents were received prior to the Proposal Submission Deadline.
 - (iv) Proponents are encouraged to submit a cover letter with each hard copy of the Proposal Security that clearly identifies the Proponent's name, Unique Project ID and Long-Term Capacity Services Project's name to which the enclosed Proposal Security relates. Proponents are encouraged to affix a label to the outside of any hard copy submission package, specific to each individual Proposal, that clearly indicates the Proponent's name and address along with the IESO's mailing address (the "**Proposal Submission Label**"). The form of the Proposal Submission Label has been provided in APPENDIX C to this LT2(c-1) RFP.
- (e) *Amendment, Withdrawal or Non-Submission of Proposals*
- (i) Proposals cannot be amended once submitted.
 - (ii) At any time prior to the Proposal Submission Deadline, a Proponent may withdraw a submitted Proposal by emailing notice of such withdrawal in the Prescribed Form: Notice of Proposal Withdrawal (Capacity) to the IESO at LT2.RFP@ieso.ca and, provided that such Prescribed Form: Notice of Proposal Withdrawal (Capacity) is received by the IESO prior to the Proposal Submission Deadline, the entire Proposal described therein shall be deemed to have been withdrawn.

- (iii) If a Proponent withdraws a Proposal prior to the Proposal Submission Deadline, the IESO will not process such Proposal and will return such Proposal, including the Proposal Fee to the Proponent.
 - (iv) Subject to Section 3.7(a), the IESO will not process more than one Proposal with the identical Proponent name unless it is in relation to separate Long-Term Capacity Services Projects. If the IESO receives multiple Proposals from the same Proponent and in respect of the same Long-Term Capacity Services Project and no corresponding Prescribed Form: Notice of Proposal Withdrawal (Capacity) indicating whether any one of such Proposals has been withdrawn, the IESO will not process either Proposal and will return each Proposal, including the Proposal Fee and Proposal Security, to the Proponent.
 - (v) If a Proponent makes payment of the Proposal Fee but does not submit a Proposal prior to the Proposal Submission Deadline, the IESO will return such Proposal Fee to the prospective Proponent.
- (f) *Irrevocability*
- (i) Proposals shall be irrevocable in the form submitted by the Proponent from the Proposal Submission Deadline until 3:00 P.M. (EPT) on the one hundred and eightieth (180th) day after the Proposal Submission Deadline or for such longer period as agreed to from time to time pursuant to the provisions of this Section 3.7(f) (the “**Period of Irrevocability**”).
 - (ii) If the IESO wishes to extend the Period of Irrevocability, the IESO shall submit a request prior to the expiry of the Period of Irrevocability to those Proponents whose Proposals are, at the time of the request, still being considered in the evaluation process. A Proponent may, in its discretion, consent to extend its Period of Irrevocability and, in such case, must notify the IESO of such intent within five (5) Business Days after such request was made.
 - (iii) If a Proponent does not respond to the request within five (5) Business Days or refuses to extend the Period of Irrevocability, the Proponent’s Proposal shall continue to be irrevocable in accordance with its original Period of Irrevocability.
 - (iv) If the IESO determines in its Discretion that it will be unable to award contracts prior to the expiration of the applicable Period of Irrevocability, it will, after the expiration of the Period of Irrevocability, cease to consider the Proposal(s) of a Proponent who has refused the IESO’s request to extend its Period of Irrevocability.

The IESO will continue to evaluate Proposals of those Proponents who have consented to an extension to their Period of Irrevocability and award contracts, if at all, only to such remaining Proponents.

3.8 Notification of Selected Proponents and Other Proponents

(a) *Selected Proponents*

- (i) Once Selected Proposals are chosen by the IESO, the IESO will notify the Selected Proponents in writing of the selection, and will notify the other Proponents that were not chosen by the IESO in accordance with Section 3.8(b).
- (ii) The IESO may, prior to the financial market opening in Toronto, Ontario, in accordance with the Schedule, make a public announcement of such selection, noting that such selection is subject to the successful completion and execution of the LT2(c-1) Contract and related closing documents. The IESO will forward to the Selected Proponent(s) a copy of the LT2(c-1) Contract and those related closing documents prepared by the IESO for completion and execution by the Selected Proponents, and the date that the LT2(c-1) Contract and such closing documents are sent by the IESO to the Selected Proponents is referred to as the “**LT2(c-1) Contract Receipt Date**”.
- (iii) The Selected Proponents must, within twenty (20) Business Days after the LT2(c-1) Contract Receipt Date,
 - (A) authorize the IESO to convert and maintain the Proposal Security to be held as Completion and Performance Security, and
 - (B) execute and deliver the LT2(c-1) Contract together with all related closing documents required by the IESO (including certificates of status or equivalent).

For greater certainty, it is the Selected Proponent who must execute and deliver the LT2(c-1) Contract, and the Selected Proponent may not substitute or propose to substitute another party in its place.

- (iv) Should any Selected Proponent fail to execute and deliver the LT2(c-1) Contract and all related closing documents required by the IESO within the required timeframes in respect of any Selected Proposals, such Selected Proponents will be in breach of this LT2(c-1) RFP with respect to such Proposals and the IESO may, in its Discretion, disqualify such Selected Proposals, draw upon the Proposal Security, and/or disqualify any or all other Selected Proposals submitted by the same Selected Proponent, which

remedies shall be the sole and exclusive remedies of the IESO as a result of such Selected Proponent's breach of this LT2(c-1) RFP.

- (v) Once the required Completion and Performance Security and the executed LT2(c-1) Contract and all related closing documents have been delivered to the IESO by the Selected Proponents, the IESO will coordinate, in consultation with the applicable Selected Proponents, further public announcements concerning the Long-Term Capacity Services Project.

(b) *Other Proponents*

- (i) The IESO will notify a Proponent whose Proposal did not become a Selected Proposal, either:
 - (A) after the evaluation for Stage 1 has concluded for all Proponents, that a Proponent's Proposal has failed to satisfy the Stage 1 completeness requirements set out in Section 4.1; or
 - (B) after Selected Proponents are notified pursuant to Section 3.8(a), that successful Proponents have been selected by the IESO as Selected Proponents and that the LT2(c-1) RFP process has concluded,

and that, in either case, they were not selected by the IESO under this LT2(c-1) RFP and such decision is final and binding.

3.9 Debriefing

- (i) Any Proponent whose Proposal did not become a Selected Proposal may request a debriefing after being notified of their status.
- (ii) The IESO will hold a single debriefing meeting for each Proponent in which they can discuss their rejected Proposal. Requests must be made in writing through LT2.RFP@ieso.ca email address and must be made within thirty (30) days of such notification. The intent of the debriefing session is to assist the Proponent in presenting a better proposal in subsequent procurement opportunities.
- (iii) Any debriefing provided is not offered for the purpose of providing an opportunity to challenge this LT2(c-1) RFP procurement process.

3.10 Confidentiality

- (a) Information provided by a Proponent is subject to, and may be released in accordance with, the provisions of the *Freedom of Information and Protection of Privacy Act* (Ontario), as amended from time to time. A

Proponent is required to clearly identify any portion of any Proposal that contains proprietary or confidential information by marking it as “Proprietary and Confidential”. Only those portions of a Proposal that are marked as “Proprietary and Confidential” will be accorded confidential treatment by the IESO in accordance with this Section 3.10.

- (b) The confidentiality of any such information identified by the Proponent will be maintained by the IESO, except where Laws and Regulations, a request by the Information and Privacy Commissioner, a court, legislative committee or a tribunal requires the IESO to do otherwise. Notwithstanding the foregoing, the IESO shall not be required to maintain the confidentiality of any such information that:
 - (i) is or becomes generally available to the public without fault or breach on the part of the IESO of any duty of confidentiality owed by the IESO to the Proponent or to any third party;
 - (ii) the IESO can demonstrate that it had been rightfully obtained by the IESO, without any obligation of confidence, from a third party that had the right to transfer or disclose it to the IESO free of any obligation of confidence;
 - (iii) the IESO can demonstrate that it had been rightfully known by, or in the possession of, the IESO at the time of disclosure, free of any obligation of confidence when disclosed; or
 - (iv) has been independently developed by the IESO.
- (c) Information contained in Proposals will, as deemed necessary by the IESO, be disclosed on a confidential basis, to the Evaluation Team, the IESO, the Government of Ontario, the Fairness Advisor, the IESO’s counsel and other advisors retained in connection with the LT2(c-1) RFP and in the evaluation of the Proposals.
- (d) All information provided by or obtained from the IESO in any form in connection with this LT2(c-1) RFP is the sole property of the IESO and must be treated as confidential, and:
 - (i) is not to be used for any purpose other than replying to this LT2(c-1) RFP;
 - (ii) must not be disclosed without the prior written authorization of the IESO; and
 - (iii) shall be returned by the Proponent to the IESO immediately upon the request of the IESO.

3.11 Disclosure of Proponents

Notwithstanding Section 3.10, the IESO may choose to publish or otherwise disclose all or any part of the following information regarding the Proposals subsequent to notifying all successful and unsuccessful Proponents or following the completion of this LT2(c-1) RFP:

- (a) Proponent Name;
- (b) applicable Long-Term Capacity Services Project and its Monthly Contract Capacity;
- (c) average or individual Fixed Capacity Payments or other aggregate pricing information;
- (d) the location of proposed Project Sites; and
- (e) the Indigenous Communities that hold Economic Interest in a Proponent (including through an Indigenous Holding Vehicle).

The IESO may make such disclosure on an individual basis, or as aggregated with information provided by other Proponents.

SECTION 4 – PROPOSAL EVALUATION

The evaluation of Proposals will be conducted by the IESO in five distinct stages as follows:

4.1 Stage 1 – Completeness Requirements

In Stage 1, each Proposal will pass or fail depending on whether the Proposal is complete and contains all documents, forms and declarations required by Section 3.7 of this LT2(c-1) RFP.

All Proposals must be complete in all respects at the time of submission. If a Proposal would otherwise fail the Stage 1 completeness review as a result of a manifest error or deficiency on a submitted Prescribed Form, such as a missing date, name, signature or a typographical error (and not, for certainty, a failure to pay the Proposal Fee, a failure to deliver the Proposal Security as required by Section 3.7 or a failure to submit a Prescribed Form in its entirety that is required by Section 3.7), the IESO may, in its Discretion, issue a rectification notice identifying a perceived deficiency and in such case will provide the Proponent a single opportunity to rectify the perceived deficiency and submit the applicable corrected or completed materials within the time period specified by the IESO in such notice.

For greater certainty, a failure by a Proponent to complete a Prescribed Form for the purposes of having their Rated Criteria evaluated shall not fail the Stage 1 completeness review as a result of such failure, and such failure will only result in a failure to be awarded the applicable Rated Criteria Points.

4.2 Stage 2 – Mandatory Requirements

In Stage 2, each Proposal will pass or fail depending on whether, based on the information provided in the Proposal, the Proposal meets the following mandatory requirements (the “**Mandatory Requirements**”):

- (a) the Proponent satisfies the Team Member Experience requirements specified in Section 2.1(a);
- (b) the Proponent is a single Person in accordance with Section 2.1(b);
- (c) the Long-Term Capacity Services Project meets the eligibility requirements specified in Section 2.1.;, including:
 - (i) if the Project Site is proposed to be located in whole or in part on Municipal Project Lands or on Indigenous Lands, a Pre-Engagement Confirmation Notice has been delivered in accordance with Section 2.1(c)(iii);
 - (ii) if the Project Site is proposed to be located in whole or in part on Indigenous Lands, the Proposal includes an Indigenous Support Confirmation in accordance with Section 2.1(c)(iv);
 - (iii) if the Project Site is proposed to be located in whole or in part on Municipal Project Lands, the Proposal includes Municipal Support Confirmation in accordance with Section 2.1(c)(v);
 - (iv) if the Project Site is proposed to be located in whole or in part on Crown land, the Proposal includes an MNR Confirmation Letter and a Crown Land Shapefile in accordance with Section 2.1(c)(vi);
 - (v) if the Project Site is proposed to be located in whole or in part on Unincorporated Territory, the Proposal includes a Confirmation of Unincorporated Territory in accordance with Section 2.1(c)(vii).
 - (vi) that the Project Site is not located on Specialty Crop Areas in accordance with Section 2.1(d)(i);
 - (vii) where the Long-Term Capacity Services Project is a Non-Rooftop Solar Project, the Project Site does not include any lands located in areas designated as Prime Agricultural Area in accordance with Section 2.1(d)(ii); and
 - (viii) that it may not be the subject of a Connection Impact Assessment (whether issued or pending) that has not been rescinded and permanently revoked as of the time of Proposal submission in accordance with the requirements of Section 2.1(e); and

- (ix) the Long-Term Capacity Services Project satisfies the Connection Point Requirements.
- (d) the Proposal is for a Long-Term Capacity Services Project with a Nameplate Capacity equal to or larger than one (1) MW which can be registered as a *registered facility* under the Market Rules other than as *variable generation*, or as a *self-scheduling generation facility*;
- (e) the Proposal is within the Proponent Group Limit set out in Section 3.7(a);
- (f) the Proposal is for a Long-Term Capacity Services Project which can deliver a continuous amount of Electricity on a dispatchable basis to a Connection Point on a Distribution System or Transmission System during the Qualifying Hours for at least eight (8) consecutive hours;
- (g) the Proponent is either the registered owner of the Project Site or has submitted the requisite confirmation letter(s) from the registered owner(s) of the Properties included in the Project Site or, if applicable, an MNR Confirmation Letter in accordance with the requirements of Section 3.7(c)(i); and
- (h) where the Proposal is for a Crown Land Project, the Project Site (and the Project Site of any associated Proposal PQ Alternate(s)), as reflected in the Crown Land Shapefile(s) submitted in accordance with Section 2.1(c)(vi) does not overlap with or use any of the same Crown lands as any AOR Held Lands for which the Proponent is not the Applicant of Record.

For greater certainty, the determination of whether such Mandatory Requirements are met will be based on the Proposal materials contained solely in the submission documents as set out in Section 3.7(c)(i) and, in the case of Crown Land Projects, review of mapping tools and reference materials in respect of AOR Held Lands from the Ontario Ministry of Natural Resources. Proposals that do not demonstrate that the Proponent satisfies the Mandatory Requirements set out in this Section 4.2 will not be evaluated further and will be rejected. Notwithstanding the foregoing, if a Proposal is for a Crown Land Project and the proposed Project Site (or the Project Site of any associated Proposal PQ Alternate) is determined, from review by IESO or its consultant of the Crown Land Shapefile(s), to overlap with or use any of the same Crown lands as any AOR Held Lands for which the Proponent is not the Applicant of Record, but an associated Proposal PQ Alternate does not overlap with or use any such same Crown lands, the Proposal will continue through the subsequent stages of evaluation only in respect of such Proposal PQ Alternate(s).

4.3 Stage 3 – Rated Criteria

All Proposals that have passed Stage 1 and Stage 2 shall have their Rated Criteria evaluated by the IESO. The IESO will assign “**Rated Criteria Points**” to such Proposals as set out in this Section. There shall be a maximum of fifteen (15) possible Rated Criteria Points awarded to any Proposal. The Rated Criteria to be used by the IESO are as follows:

(a) *Proponent Indigenous Participation Level*

Rated Criteria Points available	Indigenous Community Participation
3	If the Proponent Indigenous Participation Level is equal to or more than fifty percent (50%).
2	If the Proponent Indigenous Participation Level is equal to or more than twenty-five percent (25%) but less than fifty percent (50%).
1	If the Proponent Indigenous Participation Level is equal to or more than ten percent (10%) but less than twenty-five percent (25%).
0	If the Proponent Indigenous Participation Level is less than ten percent (10%).

(b) *Local Indigenous Community Participation*

If Rated Criteria Points were awarded pursuant to Section 4.3(a) and the Project Site is located in whole or in part on:

- (i) Indigenous Lands; or
- (ii) lands within the treaty area, or the established or asserted traditional territory or homeland of an Indigenous Community that holds an Economic Interest in the Proponent of at least ten percent (10%) and is included in the Proponent Indigenous Participation Level (including through an Indigenous Holding Vehicle, if applicable), as evidenced by an attestation from an Individual with authority to bind that Indigenous Community,

the following additional Rated Criteria Points shall be awarded to such Proposal:

Rated Criteria Points available	Local Indigenous Community Participation
3	If the Proponent Indigenous Participation Level is equal to or more than fifty percent (50%).

2	If the Proponent Indigenous Participation Level is equal to or more than twenty-five percent (25%) but less than fifty percent (50%).
1	If the Proponent Indigenous Participation Level is equal to or more than ten percent (10%) but less than twenty-five percent (25%).
0	If the Proponent Indigenous Participation Level is less than ten percent (10%).

(c) *Project Site Located in the Northern Zone*

Rated Criteria Points available	Location in Northern Zone
3	If the Project Site is located within the Northern Zone.
0	If the Project Site is not located within the Northern Zone.

(d) *Project Site Not Located in Prime Agricultural Area*

Rated Criteria Points available	Project Site Not Located in Prime Agricultural Area
3	If the Project Site does not include lands that are located in a Prime Agricultural Area.
0	If the Project Site includes lands that are located in a Prime Agricultural Area.

(e) *Duration of capability to continuously deliver Contract Capacity to a Connection Point during the Qualifying Hours*

Rated Criteria Points available	Duration of capability to continuously deliver the Contract Capacity to a Connection Point during the Qualifying Hours
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3	If the Long-Term Capacity Services Project is a Non-Electricity Storage Facility that will be able to continuously deliver the Contract Capacity to a Connection Point for twelve (12) or more hours during the Qualifying Hours.
2	If the Long-Term Capacity Services Project is an Electricity Storage Facility that will be able to continuously deliver the Contract Capacity to a Connection Point for twelve (12) or more hours during the Qualifying Hours.
0	If the Long-Term Capacity Services Project is able to continuously deliver the Contract Capacity to a Connection Point for at least eight (8) hours but less than twelve (12) hours during the Qualifying Hours.

4.4 Stage 4 – Review of Economic Bid Statement

- (a) All of the Proposals that have passed Stage 2 and have had their Rated Criteria evaluated by the IESO in Stage 3, will have their Economic Bid Statement opened.
- (b) *Proposal Weighted Average Price and Proposal Average Capacity*
 - (i) Where a Proposal includes one or more Proposal PQ Alternates, a weighted average of the proposed Fixed Capacity Payment for a Proposal (the “**Proposal Average Price**”) shall be calculated as the weighted average (based on proposed Maximum Contract Capacity) of the Fixed Capacity Payment submitted for the Primary Proposal PQ and all Proposal PQ Alternates in respect thereof and an average Maximum Contract Capacity among the Primary Proposal PQ and any Proposal PQ Alternates in respect thereof (the “**Proposal Average Capacity**”) shall be calculated.
 - (ii) If the Proposal does not include a Proposal PQ Alternate, the Proposal Average Price for such Proposal shall be equal to the Fixed Capacity Payment submitted for the Primary Proposal PQ and the Proposal Average Capacity shall be equal to the single proposed Maximum Contract Capacity.
- (c) Subject to Section 5.10(m), all Primary Proposal PQs and Proposal PQ Alternates whose proposed Fixed Capacity Payment exceeds the weighted average (based on Proposal Average Capacity) of the Proposal Average

Price of all Proposals by more than forty percent (40%) will not be evaluated further and will be rejected.

(d) *Evaluated Proposal Price and Ranking*

- (i) All Proposals and any associated Proposal PQ Alternates other than those rejected under Section 4.4(c), shall have their proposed Fixed Capacity Payment evaluated using the Rated Criteria Points to calculate the “**Evaluated Proposal Price**”.
- (ii) The Evaluated Proposal Price shall only be used by the IESO to rank the Proposal (and any associated Proposal PQ Alternates). Such Evaluated Proposal Price shall not impact the pricing under the LT2(c-1) Contract, which shall be based on the proposed Fixed Capacity Payment.
- (iii) The Evaluated Proposal Price will be calculated using the following formula:

EPP = SP × (1 - (ECW × (S / MS)) – (CSP x 0.02))	
where:	
EPP	is the Evaluated Proposal Price (in \$ per MW per Business Day).
SP	is the Submitted Price which shall be equal to the proposed Fixed Capacity Payment set out in the Prescribed Form: Economic Bid Statement (Capacity).
ECW	is the evaluation criteria weighting, which set at 0.20.
S	is equal to the total Rated Criteria Points awarded to the Proposal under Stage 3.
MS	is the maximum possible Rated Criteria Points available under Stage 3, which shall be fifteen (15) points.
CSP	is the value of 1.0 if the Proponent constitutes, and has optionally self-identified as, a Canadian-Status Proponent in its Proposal, and in all other cases is equal to 0.

- (iv) Proposals (including any associated Proposal PQ Alternates) will be ranked in order of their Evaluated Proposal Price, with the lowest Evaluated Proposal Price receiving the highest priority, the second lowest Evaluated Proposal Price receiving the second highest priority, and so on until all of the Proposals (and Proposal PQ Alternates) have been ranked according to their Evaluated Proposal

Price. The outcome of this ranking will create a preliminary list (the “**Preliminary List**”).

- (v) In the event of an equivalent Evaluated Proposal Price between two or more Proposals (or Proposal PQ Alternates), the order ranking within the Preliminary List shall be determined by giving the higher ranking to the Proposal (or Proposal PQ Alternate) with the higher Maximum Contract Capacity and a lower ranking to the Proposal (or Proposal PQ Alternate) with a lower Maximum Contract Capacity.
- (vi) In the event that multiple Proposals or Proposal PQ Alternates within the Preliminary List have the same Evaluated Proposal Price and the same Maximum Contract Capacity, the order ranking between such Proposals will be randomly generated, which will be witnessed and documented by the Fairness Advisor.

4.5 Stage 5 – Deliverability Assessment

- (a) The deliverability in respect of the Long-Term Capacity Services Project, for Proposals that are included in the Preliminary List, will be assessed by the IESO in accordance with the IESO’s methodology for determining the deliverability status as outlined in the latest version of the deliverability test guidance document published on the Website (the “**Deliverability Test**”), based on their ranking within the Preliminary List.
- (b) Each Proponent acknowledges and agrees that the Deliverability Test results are distinct from, and in addition to, any Connection Impact Assessment, System Impact Assessment or Customer Impact Assessment required pursuant to Laws and Regulations. Neither the Deliverability Test results, nor any exercise of IESO’s Discretion as described in Section 2.1(f)(iv), as applicable, ensure the ability to connect a Long-Term Capacity Services Project or at any assumed cost.
- (c) If the Deliverability Test result for a Proposal on the Preliminary List is “Deliverable”, subject to Section 4.5(f), such Proposal will be processed and added to the “**Offer List**” and all alternate Proposal PQ Alternates for such Proposal will be removed from the Preliminary List.
- (d) If the Deliverability Test result for a Proposal on the Preliminary List is “Not Deliverable”, such Proposal will not be processed further and will be removed from the Preliminary List. Notwithstanding the foregoing, any alternate Proposal PQ Alternates in respect of such Proposal will remain on the Preliminary List and will be evaluated in their ranked order. If a Proposal PQ Alternate is subsequently added to the Offer List any further Proposal PQ Alternate in respect of such Proposal will be removed from the Preliminary List.

- (e) Proposals will only be added to the Offer List until such point where, subject to Section 4.5(f) and Section 5.10(l), the addition of a Proposal from the Preliminary List causes the aggregate Maximum Contract Capacity of the Proposals on the Offer List to meet or exceed the Total Target Capacity, following which no further Proposals from the Preliminary List shall be added to the Offer List.
- (f) In the event that multiple Proposals (or Proposal PQ Alternates) on the Preliminary List are Crown Land Projects, before adding any such Proposal (or Proposal PQ Alternate) to the Offer List, the IESO will (or will cause its consultant to) utilize the Crown Land Shapefile for each such Crown Land Project to identify any instances in which the proposed Project Site for such Proposal (or that of any of its Proposal PQ Alternates) overlaps with or uses the same lands as the proposed Project Site of any other Crown Land Projects (or that of any Proposal PQ Alternates) on the Preliminary List (any such Proposals, “**Conflicting Crown Land Proposals**”). In the event of any Conflicting Crown Land Proposals on the Preliminary List, where any such Conflicting Crown Land Proposal (or any associated Proposal PQ Alternate) is to be added to the Offer List pursuant to Section 4.5(c), any Proposal that is a Conflicting Crown Land Proposal with such Proposal that is ranked lower on the Preliminary List will not be evaluated further and will be rejected, provided that in the event any Proposal PQ Alternate in respect of such rejected Conflicting Crown Land Proposal does not overlap with the Project Site of the Proposal (or Proposal PQ Alternate) being added to the Offer List, such Proposal PQ Alternate of the rejected Conflicting Crown Land Proposal will remain on the Preliminary List and will be evaluated in its ranked order.

4.6 Selected Proponent

Any Proponent whose Proposal is included on the Offer List shall be a “**Selected Proponent**” and shall be required to enter into an LT2(c-1) Contract as described in Section 2.2 in respect of the applicable Proposal(s), and to carry out the provisions of the LT2(c-1) Contract.

SECTION 5 – ADDITIONAL TERMS AND CONDITIONS

5.1 General Terms and Conditions

- (a) For the purpose of determining time of receipt of any submission, the clock at the prescribed location for submission shall govern.
- (b) The onus remains solely with the Proponent to deliver submissions as specified in this LT2(c-1) RFP by the relevant deadline.

5.2 LT2(c-1) RFP Documents

- (a) The following materials form part of, and are incorporated into, this LT2(c-1) RFP:
 - (i) the body of this LT2(c-1) RFP and all Appendices;
 - (ii) any Addenda; and
 - (iii) all Prescribed Forms.
- (b) Any conflict or inconsistency between this LT2(c-1) RFP, the Prescribed Forms, the Appendices, or Addenda, if any, shall be resolved by interpreting the documents and information in the following order from highest priority to lowest priority:
 - (i) Addenda;
 - (ii) the body of this LT2(c-1) RFP and APPENDIX A;
 - (iii) other Appendices to this LT2(c-1) RFP; and
 - (iv) Prescribed Forms.
- (c) All other information and materials are provided for information purposes only, do not form part of this LT2(c-1) RFP and are not binding on the IESO.
- (d) In the event of any conflict or inconsistency between the terms of this LT2(c-1) RFP and the Proposal, this LT2(c-1) RFP shall govern over the Proposal to the extent of any conflict or inconsistency.
- (e) Once the LT2(c-1) Contract is executed, the LT2(c-1) Contract will govern over this LT2(c-1) RFP.

5.3 Compliance

If, in the Discretion of the IESO, a Proposal does not comply with the requirements set out in this LT2(c-1) RFP, the IESO may, without liability, cost or penalty, disqualify the Proposal and the Proposal shall not be given any further consideration. For purposes of this LT2(c-1) RFP, “comply” means that the Proposal conforms to the requirements of this LT2(c-1) RFP without Material Deviation.

For the purpose of clarity, each Proponent acknowledges and agrees that the IESO’s evaluation of compliance with this LT2(c-1) RFP is not an evaluation of absolute compliance and that the IESO may waive failures to comply that, in the IESO’s Discretion, do not constitute a Material Deviation.

5.4 Return of Proposal Security

- (a) For each Proponent whose Proposal does not pass any of the stages set out in Section 4 of this LT2(c-1) RFP, the applicable Proposal Security will be returned to the address provided on the Proposal Submission Label within ten (10) Business Days of the Proponent being notified by the IESO that their Proposal did not pass any of the stages set out in Section 4 of this LT2(c-1) RFP or that their Proposal was otherwise rejected.
- (b) For the Selected Proposal(s), the Selected Proponent is required to authorize the IESO to convert the Proposal Security into Completion and Performance Security, which will be retained by the IESO for purposes of the LT2(c-1) Contract.

5.5 Participation Costs

- (a) Each Proponent will bear all costs and expenses in connection with its participation in this LT2(c-1) RFP, including any costs incurred in the review of this LT2(c-1) RFP and any expert advice required in responding to this LT2(c-1) RFP.
- (b) The IESO and its advisors shall not be liable to pay any Proponents costs under any circumstances. In particular, the IESO will not reimburse the Proponents in any manner whatsoever in the event of rejection or disqualification of any or all Proposals or in the event of the cancellation of this LT2(c-1) RFP for any reason.
- (c) Subject to Section 5.6, by submitting any submission in response to this LT2(c-1) RFP, the Proponent irrevocably and unconditionally waives any claims against the IESO and its advisors relating to the Proponent's costs and expenses.

5.6 Material Breach of this LT2(c-1) RFP

Each Proponent agrees that, if the IESO commits a material breach of this LT2(c-1) RFP, the IESO's liability to the Proponent, and the aggregate amount of damages recoverable against the IESO for any matter relating to or arising from that material breach, whether based upon an action or claim in contract, warranty, equity, negligence, intended conduct or otherwise, including any action or claim arising from the acts or omissions, negligent or otherwise, of the IESO, shall be no greater than the submission preparation costs that the Proponent seeking damages from the IESO can demonstrate and shall in any event not include any lost profits or indirect, punitive or consequential damages.

5.7 Verification

All statements, information and documentation submitted as part of any Proposal are subject to verification and enforcement in accordance with the terms of this LT2(c-1) RFP. If such statements, information or documentation are determined by the IESO to be

incorrect or misleading, the IESO reserves the right to re-evaluate the Proposal and the Proponent's status.

5.8 Other Procurement Processes

- (a) Participation in this LT2(c-1) RFP shall not preclude participation in any other present or future IESO procurements (provided that all requirements and criteria set out under each such procurement are satisfied).
- (b) This LT2(c-1) RFP is not in any way intended to preclude, restrict or otherwise discourage any Proponent from proceeding with the development of facilities or resources outside the scope of the IESO's procurement processes.

5.9 Governing Law

This LT2(c-1) RFP shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each Proponent submits to the exclusive jurisdiction of the courts of the Province of Ontario situated in Toronto.

5.10 Reserved Rights

Notwithstanding any other provision of this LT2(c-1) RFP, the IESO reserves the right to:

- (a) request written clarification or the submission of supplementary written information from any Proponent and incorporate the response to that request for clarification into the that party's submission;
- (b) meet with some or all Proponents to discuss aspects of their submissions;
- (c) verify with any Proponent, or with a third party, any information set out in a submission;
- (d) contact any party providing financing, including obtaining information on such party whether directly from the party or a third party;
- (e) disqualify any Proponent whose submission contains misrepresentations or any other inaccurate or misleading information;
- (f) waive any informality or irregularity at the IESO's Discretion;
- (g) disqualify any Proponent or the submission of any such party who has engaged in conduct prohibited by this LT2(c-1) RFP;
- (h) make changes, including substantial changes, to this LT2(c-1) RFP in the manner set out in this LT2(c-1) RFP;

- (i) cancel this LT2(c-1) RFP process at any stage;
- (j) cancel this LT2(c-1) RFP process at any stage and issue a new process for the same or similar deliverables;
- (k) reject any or all Proposals at the IESO's Discretion;
- (l) accept Proposals in excess of the Total Target Capacity, as applicable;
- (m) accept any Proposals for which the Fixed Capacity Payment is in excess of the threshold set out in Section 4.4(c);
- (n) if only one Proposal is received, elect to accept or reject it; or

and these reserved rights are in addition to any other express rights or any other rights which may be implied in the circumstances, and the IESO shall not be liable for any expenses, costs, losses or any direct or indirect damages incurred or suffered by any Proponent, or any third party resulting from the IESO exercising any of its express or implied rights under this LT2(c-1) RFP.

By submitting a Proposal, the Proponents authorizes the collection by the IESO of the information set out under Sections 5.10(c), 5.10(d), and 5.10(e) above.

APPENDIX A – GLOSSARY OF TERMS

Addenda			means the documents expressly identified as addenda and issued by the IESO to Proponents in accordance with this LT2(c-1) RFP and “ Addendum ” means any one of such documents.
Adjusted Capacity	Monthly Contract		has the meaning given to it in the LT2(c-1) Contract.
Affiliate			has the meaning given to it in the LT2(c-1) Contract.
AIA Requirement	Component	One	means a written notice by way of e-mail delivered by the Proponent to the chief administrative officer or equivalent of an applicable Local Municipality which: (A) acknowledges that the Project Site in respect of a proposed Long-Term Capacity Services Project (other than a Non-Rooftop Solar Project) includes any lands located in areas designated as Prime Agricultural Area as of the delivery of the Pre-Engagement Confirmation Notice; and (B) includes documentation that the Proponent has evaluated alternative locations for its proposed Project Site, as informed by OMAFA Guidance.
AIA Components Two and Three Requirement			has the meaning given to it in the LT2(c-1) Contract.
Ancillary Services			has the meaning given to it in the LT2(c-1) Contract.
AOR Held Lands			means Crown lands that are the subject of an Applicant of Record Status with the Ontario Ministry of Natural Resources as reflected in mapping tools published or made publicly available by the Ontario Ministry of Natural Resources as of the Proposal Submission Deadline with metadata labeling the Crown lands corresponding to a specific Applicant of Record Status and associated Applicant of Record.
Appendix or Appendices			means the Appendix or Appendices that form part of this LT2(c-1) RFP.
Applicant of Record			means a Person that is the named holder of an Applicant of Record Status in respect of AOR Held Lands by the Ontario Ministry of Natural Resources.

Applicant of Record ID #	Means the reference serial number issued by the Ontario Ministry of Natural Resources identifying Applicant of Record Status (e.g. in the format of “XP-XXXX”).
Applicant of Record Status	means a status designated by the Ontario Ministry of Natural Resources via a unique application of record serial number providing for the exclusive opportunity to the status holder thereof to pursue approvals for renewable energy projects on specified Crown lands.
Blanket MS Confirmation Letter	means a letter addressed to the IESO from the chief administrative officer (or equivalent) of each Local Municipality with land use authority over any of Municipal Project Lands that: (A) identifies: (i) the Proponent; (ii) the name, technology and maximum potential Contract Capacity of the Long-Term Capacity Services Project; and (iii) the Municipal Project Lands; (B) states that the Local Municipality supports the submission of the Proposal; (C) confirms that the Proponent has undertaken community and Indigenous engagement activities in respect of the Long-Term Capacity Services Project to the satisfaction of the Local Municipality; (D) confirms whether the Municipal Project Lands are within any Prime Agricultural Areas or Specialty Crop Areas; and (E) confirms, if the Municipal Project Lands are within any Prime Agricultural Areas, that the Proponent has completed the AIA Component One Requirement to the satisfaction of the Local Municipality.
Blanket Municipal Support Resolution	means a resolution or other equivalent instrument signed by or on behalf of the council of the Local Municipality in which the Long-Term Capacity Services Project is proposed to be located that expresses the support of the Local Municipality for the development, construction and operation of: (a) the Long-Term Capacity Services Project; or (b) multiple Long-Term Capacity Services Projects,

which support for such Long-Term Capacity Services Project(s) must be for purposes of the requirements of:

- (i) this LT2(c-1) RFP; or
- (ii) other long-term procurement initiatives of the IESO that are subsequent to the LT2(c-1) RFP,

and may be subject to all Laws and Regulations.

Business Day

means a day, other than a Saturday or Sunday or statutory holiday in the Province of Ontario that is listed on the “*Physical and Financial Market Holiday Schedule*” (or any substantially equivalent future schedule) published by the IESO for purposes of the Market Rules, from time to time, but excluding from such statutory holidays Easter Monday, Remembrance Day and National Day for Truth and Reconciliation.

Canadian-Status Proponent

means a Proponent whose registered office and main or head office (if different than its registered office) are located in Canada and, where the Proponent is Controlled by any other Person, the registered office and main or head office (if different than its registered office) or permanent residence (as applicable) of any of the Proponent’s Ultimate Controlling Parent(s) are located in Canada.

Capacity Auction

has the meaning given to it in the Market Rules.

Capacity Product

has the meaning given to it in the LT2(c-1) Contract.

CES Decommissioning

has the meaning given to it in the LT2(c-1) Contract.

Circuit

means a designated electrical line that is a part of a Transmission System and that is designated by a number that is recognized in common among the Transmitter and the System Operator.

Clean Electricity Standard

has the meaning given to it in the LT2(c-1) Contract.

Commercial Operation Date

has the meaning given to it in the LT2(c-1) Contract.

Commitment Period

has the meaning given to that term in Section 1.2.

Common Corridor Circuits

means Circuits that are parallel to one another and utilize the same, or proximate parallel land-based rights of way, or otherwise start and end at common transmission stations.

Common LDC Feeders	means Feeders that are owned by a common LDC.
Completion and Performance Security	has the meaning given to it in the LT2(c-1) Contract.
Confirmation of Unincorporated Territory	has the meaning given to that term in Section 2.1(c)(vii).
Conflict of Interest	means, without limitation, any situation or circumstance where, in relation to this LT2(c-1) RFP process, the Proponent obtains an unfair advantage or engages in conduct, directly or indirectly, that may allow it to obtain an unfair advantage, including: (i) having or having access to information in the preparation of its Proposal that is confidential to the IESO or the Government of Ontario and that is not available to other Proponents; (ii) communicating with any official or representative of the IESO or the Government of Ontario or members of the Evaluation Team with a view to influencing preferred treatment in this LT2(c-1) RFP process; or (iii) engaging in conduct (including breach of Non-Collusion Requirements) that compromises or could be seen to compromise the integrity of the open and fair LT2(c-1) RFP process and tend to render that process non-competitive and unfair.
Conflicting Crown Land Proposals	has the meaning given to such term in Section 4.5(f).
Connection Impact Assessment	means an assessment conducted by an LDC to determine the impact on the Distribution System of connecting the Long-Term Capacity Services Project to its Distribution System pursuant to the Distribution System Code.
Connection Line	means the electrical connection line connecting the Long-Term Capacity Services Project to the Connection Point, including ancillary equipment such as transformers and switchgear.
Connection Point	means, (i) where the Long-Term Capacity Services Project is connected to a Transmission System, the electrical point or

points of connection, as defined in the Market Rules, between the Long-Term Capacity Services Project and the *IESO-controlled grid*; and

(ii) where the Long-Term Capacity Services Project is connected to a Distribution System, the embedded connection point(s), as defined in the Market Rules, between the Long-Term Capacity Services Project and the Distribution System.

Connection Point Requirements means the requirements set out in Section 2.1(f) of the LT2(c-1) RFP.

Constructing means prior demonstrable experience in undertaking or overseeing the building, erecting, constructing, installing, testing, start-up and commissioning of an Electricity resource.

Contract Capacity has the meaning given to it in the LT2(c-1) Contract.

Control means, with respect to any Person at any time:

(a) holding, whether directly or indirectly, as owner or other beneficiary, (other than solely as the beneficiary of an unrealized security interest) securities or ownership interests of that Person carrying votes or ownership interests sufficient to elect or appoint fifty percent (50%) or more of individuals who are responsible for the supervision or management of that Person; or

(b) the exercise of de facto control of that Person whether direct or indirect and whether through the ownership of securities or ownership interests, by contract or trust or otherwise,

and “**Controls**” or “**Controlled**” has a corresponding meaning.

Control Group Member means, in respect of any Proponent, an entity that: (a) Controls the Proponent, or (b) is Controlled by the Proponent, or (c) is Controlled by the same entity that Controls the Proponent.

Crown means His Majesty the King in Right of the Province of Ontario or His Majesty the King in Right of Canada.

Crown Land Project	means a Long-Term Capacity Services Project in respect of which the Project Site is located in whole or in part on provincial Crown land.
Crown Land Shapefile	means a geographic information system shapefile with data in each of .shp, .shx, .dbf and .prj file formats that produces a single polygon shape outline of the boundary of the Project Site and, if applicable, a separate single polygon shape outline of the boundary of the Project Site for any Proposal PQ Alternate, displayed on the NAD 83 Ontario MNR Lambert Conical projected coordinate system: EPSG:3161 (NAD83/Ontario MNR Lambert), that is substantially consistent with the content and format of the template crown land shapefile published on the Website.
Crown Land Site Report Form	means a “Crown Land Site Report Form” in the format and as defined by the Ontario Ministry of Natural Resources at https://www.ontario.ca/page/renewable-energy-crown-land .
Customer Impact Assessment	means a study conducted by a Transmitter to assess the impact of the connection of a Long-Term Capacity Services Project on other users of the <i>IESO-controlled grid</i> .
Developing	means prior demonstrable experience in engaging in community and municipal consultations, obtaining site access, obtaining regulatory and environmental approvals and other permits necessary for construction of an Electricity resource, and where the Crown had a duty to consult obligation in the jurisdiction where the prior experience was obtained, undertaking the procedural aspects of consultation with Indigenous communities that are required to support the Crown’s duty to consult obligations.
Deliverability Test	has the meaning given to that term in Section 4.5(a).
Designated Team Member	means an individual who is either a director, officer or an employee of the Proponent or a Control Group Member of the Proponent.
Distribution System	means a system connected to the <i>IESO-controlled grid</i> for distributing Electricity at voltages of 50 kilovolts or less, and includes any structures, equipment or other things used for that purpose, provided that a Distribution System shall

	be deemed not to include any equipment controlled by the IESO pursuant to the Distribution System Code.
Distribution System Code	means the “Distribution System Code” established and approved by the OEB, which, among other things, establishes the obligations of a local distribution company with respect to the services and terms of service to be offered to customers and retailers and provides minimum technical operating standards for Distribution Systems.
Discretion	means the sole and absolute discretion of the IESO.
Dollars	means Canadian dollars and cents.
E-LT1 RFP	has the meaning given to that term in Section 1.2(c).
Economic Bid Statement	means the Prescribed Form containing the proposed Fixed Capacity Payment.
Economic Interest	has the meaning given to it in the LT2(c-1) Contract.
Electrical Safety Authority	means the organization created and described pursuant to O.Reg 89/99 under the Electricity Act.
Electricity	means electric energy.
Electricity Act	means Ontario’s <i>Electricity Act, 1998</i> , SO 1998, c 15, Sched. A, as amended from time to time.
Electricity Storage Facility(ies)	has the meaning given to it in the LT2(c-1) Contract.
Eligible Existing Facility	means an existing, licensed, operating Electricity generation or storage facility that is registered or able to become registered in the <i>IESO-administered markets</i> and that, at any time since January 1, 2020, has been the subject of a contract with the IESO or the Ontario Electricity Financing Corporation, or a commitment under the IESO’s Capacity Auction administered under the Market Rules, for the delivery of Electricity, Capacity Product or Ancillary Services.
EPT	means Eastern Prevailing Time.
Evaluated Proposal Price	has the meaning given to that term in Section 4.4(d)(i).

Evaluation Team	means, collectively, the IESO's personnel and advisors (legal or otherwise) who are involved in evaluating Proposals.
Excluded Purposes	has the meaning given to that term in Section 3.5(a)(iii)(iii).
Existing Building	means a building or structure that has been designed to be used for the purpose of providing enclosure, shelter or protection to people or property, provided that it is occupied and used in accordance with all Laws and Regulations as of the Proposal Submission Deadline.
Facility	has the meaning given to it in the LT2(c-1) Contract.
Fairness Advisor	means the Person who is retained by the IESO to provide (i) independent assurance to Proponents and other stakeholders that the selection and contracting processes are fair and transparent, and (ii) a written statement that attests that the procurement process was conducted in an objective and fair manner.
Feeder	means a designated electrical line that is a part of a Distribution System and that is designated by a number that is recognized in common among the LDC and the System Operator.
Financing	means prior demonstrable experience arranging non-recourse project financing, bank financing, or on-balance sheet financing sufficient to commence construction.
First Nation Community	means, for the purposes of this LT2(c-1) RFP, (a) a First Nation located in whole or in part in Ontario that is a "band" as defined in the <i>Indian Act</i> , RSC 1985, c I-5, as amended from time to time; or (b) a Person, other than a natural Person, that has been determined by the Government of Ontario (for purposes of this LT2(c-1) RFP) to represent the collective interests of a community that is composed of First Nation natural Persons in Ontario.
Fixed Capacity Payment	has the meaning given to that term in Section 2.2(d)(i).
Force Majeure Capacity Reduction Factor or FMCRF	has the meaning given to that term in Section 2.2(f).

GHG Limitations	has the meaning given to that term in LT2(c-1) Contract.
Global Adjustment or GA	means that adjustment made by the IESO pursuant to section 25.33 of the <i>Electricity Act</i> , or its successor.
Governmental Authority	means the Crown, any federal, provincial, or municipal government, parliament or legislature, or any regulatory authority, agency, tribunal, commission, board or department of any such government, parliament or legislature, or any court or other law, regulation or rule-making entity, having jurisdiction in the relevant circumstances, including the IESO, the OEB, the Electrical Safety Authority, and any Person acting under the authority of any Governmental Authority.
GW	means gigawatt.
GWh	means gigawatt hour.
IESO	means the Independent Electricity System Operator.
IESO Generalized Tx Connection Cost Reference	means the document identified as such issued by the IESO and published on the Website prior to the Proposal Submission Deadline.
Indigenous Consultation Information Package	means the document titled “Indigenous Consultation Information Package” issued by the Ministry and published on the Website.
Indigenous Community	means, for the purposes of this LT2(c-1) RFP, a First Nation Community or a Métis Community.
Indigenous Holding Vehicle	means a Person, other than a natural Person, where the Economic Interest in such Person is held, directly or indirectly, solely by one or more Indigenous Communities.
Indigenous Participation Level	has the meaning given to that term in LT2(c-1) Contract.
Indigenous Lands	means: (a) “reserve” land as set out in the <i>Indian Act</i>, RSC 1985, c I-5, as amended from time to time; (b) “designated lands” as set out in the <i>Indian Act</i>, RSC 1985, c I-5, as amended from time to time;

(c) “special reserves” as set out in s. 36.1 of the *Indian Act*, RSC 1985, c I-5, as amended from time to time;

(d) fee simple lands that are held in trust for the benefit of a First Nation in Ontario that is a “band” as defined in the *Indian Act*, RSC 1985, c I-5, as amended from time to time, provided that those lands are the subject of an application or proposal by such First Nation to have Canada set the lands apart as reserve lands pursuant to Canada’s “Additions to Reserve /Reserve Creation Policy Directive” (2016) or the *Addition of Lands to Reserves and Reserve Creation Act*, SC 2018, c 27, as amended from time to time;

(e) Crown land or other lands that Canada has agreed to recommend be set apart as reserve for a First Nation in Ontario that is a “band” as defined in the *Indian Act*, RSC 1985, c I-5, as amended from time to time, in settlement of such First Nation’s land claim; or

(f) “settlement lands” transferred to the Algonquins of Ontario or its Institutions pursuant to the Algonquins of Ontario Treaty with Canada and Ontario (“**Treaty**”), or otherwise held by the Algonquins of Ontario or its institutions pursuant to the Treaty, for the benefit of one or more of the Algonquins of Ontario communities or Treaty beneficiaries.

Indigenous Resolution in
Support of Proposal Submission

means a band council resolution (or equivalent) from the Indigenous Community with authority over the applicable Indigenous Lands substantially in accordance with Exhibit A of the Prescribed Form: Evidence of Indigenous Support (Capacity) which, among other things, indicates that the Indigenous Community supports the submission of the Proposal and confirms that the Proponent has undertaken community and Indigenous engagement activities in respect of the Long-Term Capacity Services Project to the satisfaction of the Indigenous Community.

Indigenous Support
Confirmation

means any of an Indigenous Resolution in Support of Proposal Submission or an Indigenous Support Confirmation Letter.

Indigenous Support
Confirmation Letter

means a letter or an instrument addressed to the IESO by one or more individuals authorized by an executed band council resolution of such Indigenous Community which:

(A) identifies:

(i) the Proponent;

(ii) the name, technology and Maximum Contract Capacity of the Long-Term Capacity Services Project; and

(iii) the Indigenous Lands; and

(B) states that the Indigenous Community supports the submission of the Proposal; and

(C) confirms that the Proponent has undertaken community and Indigenous engagement activities in respect of the Long-Term Capacity Services Project to the satisfaction of the Indigenous Community.

Land Use Planner

means an individual who is a member in good standing of the Canadian Institute of Planners and is a registered professional planner in Ontario with the Ontario Professional Planners Institute.

Laws and Regulations

means:

(a) applicable Canadian federal, provincial or municipal laws, orders-in-council, by-laws, codes, rules, policies, regulations and statutes;

(b) applicable orders, decisions, codes, judgments, injunctions, decrees, awards and writs of any court, tribunal, arbitrator, Governmental Authority or other Person having jurisdiction;

(c) applicable rulings and conditions of any licence, permit, certificate, registration, authorization, consent and approval issued by a Governmental Authority;

(d) any requirements under or prescribed by applicable common law; and

(e) the Market Rules, as well as any manuals or interpretation bulletins issued by the IESO from time to time in relation thereto.

LDC

means the owner or operator of a Distribution System who is licensed by the OEB as an “electricity distributor”.

Liquidated Damages Rate	has the meaning given to it in the LT2(c-1) Contract.
Local Body Administrator	means (i) in respect of a Local Municipality, the chief administrative officer, or equivalent; or (ii) in respect of Indigenous Lands, one or more individuals with authority to bind the applicable Indigenous Community with authority over the Indigenous Lands.
Local Municipality	means any corporation that is a “local municipality” as defined in and for the purposes of the <i>Municipal Act, 2001</i> , SO 2001, c 25 or the <i>City of Toronto Act, 2006</i> , SO 2006, c 11, Sched A, both as amended from time to time.
Long-Term Capacity Services Project	has the meaning given to that term in Section 2.1(c)(i).
LT2(c-1) Contract	has the meaning given to that term in Section 1.2.
LT2(c-1) Contract Receipt Date	has the meaning given to that term in Section 3.8(a)(ii).
LT2(c-1) RFP	has the meaning given to that term in Section 1.2.
Mandatory Requirements	has the meaning given to that term in Section 4.2.
Market Rules	means the rules made under section 32 of the Electricity Act.
Material Deviation	means a deviation from the Registered Applicant’s or Proponent’s obligations contained in this LT2(c-1) RFP that, in the Discretion of the IESO (i) affects such party’s or the IESO’s obligations or rights in any material way; (ii) affects the obligations or rights of other Proponents or Registered Applicants under this LT2(c-1) RFP; or (iii) results in a failure to satisfy a material component of any requirement set out in this LT2(c-1) RFP.
Maximum Contract Capacity	has the meaning given to it in the LT2(c-1) Contract.
Métis Community	means, for the purposes of this LT2(c-1) RFP: (a) the Métis Nation of Ontario or any of its regions or active Chartered Community Councils; or (b) a Person, other than a natural Person, that has been determined by the Government of Ontario (for purposes of

			this LT2(c-1) RFP) to represent the collective interests of a community that is composed of Métis natural Persons in Ontario.
Ministerial Directive			has the meaning given to that term in Section 1.2.
Ministry			means the Ontario Ministry of Energy and Mines, or any future replacement thereof.
MNR Confirmation Letter			has the meaning given to that term in Section 3.7(c)(i).
Milestone Date for Commercial Operation			has the meaning given to it in the LT2(c-1) Contract.
Monthly Average Offered Quantity			has the meaning given to it in the LT2(c-1) Contract.
Municipality			means any corporation that is a “local municipality” or an “upper-tier municipality” as defined in and for the purposes of the <i>Municipal Act, 2001</i> , SO 2001, c 25 or the <i>City of Toronto Act, 2006</i> , SO 2006, c 11, Sched A, both as amended from time to time.
Municipal Project Lands			means any Properties that are subject to the land use authority of an applicable Local Municipality.
Municipal Resolution in Support of Proposal Submission			means a resolution or other instrument signed by or on behalf of the Local Municipality in which the Long-Term Capacity Services Project is proposed to be located substantially in accordance with the form set out in Exhibit A of the Prescribed Form: Evidence of Municipal Support (Capacity) which, among other things, indicates that the Local Municipality supports the submission of the Proposal.
Municipal Support Confirmation			means either (i) a Municipal Resolution in Support of a Proposal Submission or (ii) a Blanket Municipal Support Resolution provided together with a Blanket MS Confirmation Letter.
MW			means megawatt.
Nameplate Capacity			has the meaning given to that term in LT2(c-1) Contract.
New Build			means the development and construction of a new Electricity generating or storage facility that is not an Upgrade or Redevelopment.

Non-Collusion Requirements	means requirements that a Proponent under the LT2(c-1) RFP: (a) not coordinate its Proposal with any other Proponent; (b) keep and will continue to keep its Proposal confidential until the conclusion of the LT2(c-1) RFP and selection of the Selected Proposal(s), if any; (c) ensure that no member of the Proponent has entered into any agreement or arrangement with any member of another Proponent which may affect the Proposal submitted by the Proponent or the other Proponent; and (d) not engage in any activity or communication that results in a Conflict of Interest, collusion or a violation of any of the civil or criminal provisions of the <i>Competition Act</i> RSC, 1985, c C-34, as amended from time to time.
Non-Electricity Storage Facility	has the meaning given that term in the LT2(c-1) Contract.
Non-Rooftop Solar Project	means a Solar Project that is not a Rooftop Solar Project.
Northern Zone	means the collective Ontario territorial Districts of Kenora, Rainy River, Thunder Bay, Cochrane, Algoma, Sudbury, Timiskaming, Nipissing, Manitoulin and Parry Sound.
OEB	has the meaning given to that term in Section 1.1(b).
Offer List	has the meaning given to that term in Section 4.5(c).
Operating	means prior demonstrable experience operating, monitoring, maintaining, inspecting and repairing an Electricity resource.
Official Plan	means the current official plan of a Local Municipality approved under Section 17 of the Planning Act or that of a planning board established pursuant to Section 10 of the Planning Act.
OMAFA	means the Ontario Ministry of Agriculture, Food and Agribusiness, or any future replacement thereof.
OMAFA Guidance	means the documents and materials issued by OMAFA on the Website in respect of agricultural impact assessments or any future equivalent or replacement thereof.

Period of Irrevocability	has the meaning given to that term in Section 3.7(f)(i).
Permitted Purposes	has the meaning given to that term in Section 3.5(a).
Person	means a natural person, firm, trust, partnership, limited partnership, company or corporation (with or without share capital), sole proprietorship, Governmental Authority or other entity of any kind.
Planning	means prior demonstrable experience preparing, designing, scheduling, engineering and procurement of materials and equipment for an Electricity resource.
Planning Act	means the <i>Planning Act</i> , RSO 1990, c P.13, as amended from time to time.
Pre-AIA Submission Requirement	Filing means a written notice by way of e-mail delivered by the Proponent to the chief administrative officer or equivalent of an applicable Local Municipality which: (A) acknowledges that: (i) the Project Site in respect of a proposed Long-Term Capacity Services Project (other than a Non-Rooftop Solar Project) includes any lands located in areas designated as Prime Agricultural Area as of the delivery of the Pre-Engagement Confirmation Notice; and (ii) the Proponent has, in its selection of the Project Site, evaluated alternative locations within the Local Municipality outside of Prime Agricultural Areas and, where such alternatives were not viable, evaluated the viability of locating the Project Site on lower-priority soils (based on Canada Land Inventory mapping) within the applicable Prime Agricultural Area; and (B) includes a description of the manner in which such alternative locations were evaluated and determined to be unsuitable or unviable in the Proponent's selection of the Project Site.
Pre-Engagement Notice	Confirmation means a written notice by way of e-mail or certified mail delivered to an applicable Local Body Administrator as described in the Prescribed Form: Evidence of Municipal Support (Capacity) or Prescribed Form: Evidence of

	Indigenous Support (Capacity), as applicable, which, among other things, indicates that the Proponent intends to submit a Proposal under the LT2(c-1) RFP and seeks to confirm applicable land-use details in relation to the proposed Project Site (or portion thereof).
Preliminary List	has the meaning given to that term in Section 4.4(d).
Prescribed Form	means, in relation to a form, the latest version available on the Website of the corresponding form referred to and incorporated in this LT2(c-1) RFP, as may be amended or replaced by the IESO from time to time and without notice to the Proponent.
Primary Proposal PQ	means, for any Proposal that includes a Proposal PQ Alternate or two (2) Proposal PQ Alternates, the portions of the Proposal describing the Long-Term Capacity Services Project with the largest Maximum Contract Capacity and the Project Site with the largest area and the corresponding Fixed Capacity Payment attributable to such largest, primary Long-Term Capacity Services Project (as set out in section 2 of the Prescribed Form: Economic Bid Statement (Capacity)).
Prime Agricultural Area	has the meaning given to that term in any Official Plan and includes any substantially similar designation in any Official Plan, or in any substantially similar instrument issued pursuant to the <i>Northern Services Boards Act</i> , RSO 1990, c L.28, for agricultural land use designation purposes based on the definition of “Prime Agricultural Area” in the Provincial Planning Statement, 2024.
Project Site	means all Properties on which the proposed Long-Term Capacity Services Project is to be located, excluding any Connection Line.
Property	means a parcel or lot of real property as identified by a Property Identification Number or, in the absence thereof, by another legal description by lot and/or parcel number or similar legal description or by other appropriate description using metes and bounds or GPS coordinates. In the case of provincial Crown land, Property means real property identified by GPS co-ordinates of the Property.
Property Identification Number or PIN	means the property identifier assigned to a property in accordance with the <i>Registry Act</i> , RSO 1990, c R.20, s 21(2)

or in accordance with the *Land Titles Act*, RSO 1990, c L.5, s 141(2).

Proponent		means the Person that has submitted a Proposal.
Proponent Group Limit		has the meaning given to that term in Section 3.7(a).
Proponent Participation Level	Indigenous	means the percentage of the total Economic Interest in the Proponent as of the Proposal Submission Deadline that is held by one or more Indigenous Communities or Indigenous Holding Vehicles that each hold at least ten percent (10%) of the Proponent's total Economic Interest as of the Proposal Submission Deadline, provided that: (i) where the Project Site is proposed to be located in whole or in part on Indigenous Lands and the Proposal includes an Indigenous Support Confirmation as required under Section 2.1(c)(iii), only the Economic Interest of the Indigenous Community that provided such Indigenous Support Confirmation will be included in the Proponent Indigenous Participation Level, including where such Indigenous Community holds its Economic Interest in the Proponent through an Indigenous Holding Vehicle; and (ii) where a Proponent is itself an Indigenous Community, the Proponent Indigenous Participation Level shall be 100%.
Proposal		has the meaning given to that term in Section 3.7(b).
Proposal Fee		has the meaning given to that term in Section 3.7(c)(i).
Proposal PQ Alternate		means, in respect of a Proposal, a ranked alternative smaller size for the Maximum Contract Capacity of the proposed Long-Term Capacity Services Project that: (i) is located within the boundaries of the same identified Project Site as the Primary Proposal PQ; and (iii) subject to the Connection Point Requirements, uses the same Connection Point (or portion thereof) as the Primary Proposal PQ, with a corresponding proposed alternate Fixed Capacity Payment.
Proposal Security		means one or more irrevocable and unconditional standby letters of credit issued by a financial institution listed in

	either Schedule I or II of the <i>Bank Act</i> , SC 1991, c 46, as amended from time to time, or such other financial institution having a minimum credit rating of (i) A- with S&P, (ii) A3 with Moody's, (iii) A (low) with DBRS Morningstar, or (iv) A- with Fitch IBCA, in substantially the form attached as Appendix D of the LT2(c-1) RFP or in a form acceptable to the IESO, acting reasonably.
Proposal Submission Deadline	means the Proposal Submission Deadline date and time as set out in the Schedule.
Proposal Submission Label	has the meaning given to that term in Section 3.7(d)(iv).
Proposal Workbook	means an electronic copy of, in Microsoft excel format, the provided Proposal workbook forming a part of the Prescribed Form: Proponent Information, Declarations and Workbook (Capacity) and containing information regarding the Long-Term Capacity Services Project and the Proponent, including the technology type, fuel source, Project Site, Connection Point, and the mandatory and rated criteria-related information.
Provincial Planning Statement, 2024	means the 2024 policy statement issued by the Minister of Municipal Affairs and Housing under section 3 of the Planning Act and approved by the Lieutenant Governor in Council via Order in Council No. 1099/2024.
Qualifying Hours	has the meaning given to that term in Section 2.2(c).
Qualifying Project	means an Electricity generation or storage facility: (A) with a nameplate capacity of at least 1 MW (measured in alternating current in the case of solar powered generation); and (B) that has achieved commercial operation in any jurisdiction in Canada or the United States of America no more than fifteen (15) years prior to the Proposal Submission Deadline.
Question and Comment Deadline	means the Question and Comment Deadline date as set out in the Schedule.
Rated Criteria Points	means the criteria set out in Section 4.3.
Redevelopment	means the substantial replacement of physical infrastructure constituting an existing Electricity resource.

Registrant ID	has the meaning given to that term in Section 3.4(b).
Registration Fee	has the meaning given to that term in Section 3.4(a).
RFP Effective Date	means the RFP Effective Date as set out in the Schedule.
Rooftop Solar Project	means a Solar Project that uses solar photovoltaic generating equipment, the photovoltaic modules of which are (or will be) all integrated into or form part of the wall facing, roof, cover, or other architectural element that forms part of a permanent, Existing Building.
Schedule	has the meaning given to that term in Section 3.1(a).
Safe Standby State	has the meaning given to it in the LT2(c-1) Contract.
Selected Proponent	has the meaning given to that term in Section 4.6.
Selected Proposal	means any Proposal which included on the Offer List.
Solar Project	means a Long-Term Capacity Services Project that utilizes solar photovoltaic generating technology together with electricity storage technology to generate Electricity that is delivered on a dispatchable basis to the <i>IESO-controlled grid</i> .
Specialty Crop Area	has the meaning given to that term in the Provincial Planning Statement, 2024.
Supplier	has the meaning given to it in the LT2(c-1) Contract.
System Impact Assessment	means a study conducted by the IESO pursuant to the Market Rules, to assess the impact of a new connection of a generation facility or of the modification of an existing connection of a generation facility on the performance of the <i>IESO-controlled grid</i> and the reliability of the integrated power system.
Team Member Experience	has the meaning given to that term in Section 2.1(a)(ii).
Total Target Capacity	has the meaning given to that term in Section 1.2.
Transmission System	means a system for conveying Electricity at voltages of more than 50 kilovolts and includes any structures, equipment or other things used for that purpose.

Transmission System Code	means the “Transmission System Code” approved by the OEB and in effect from time to time, which, among other things, sets the standards for a Transmitter’s existing Transmission System and for expanding the Transmitter’s transmission facilities in order to connect new customers to it or accommodate increase in capacity or load of existing customers.
Transmitter	means a Person licensed as a “transmitter” by the OEB in connection with a Transmission System.
Ultimate Controlling Parent	means, in respect of any reference Person other than a natural person, a Person that controls such reference Person and that is not itself Controlled by any other Person.
Unincorporated Territory	means any Properties that: (i) are located in areas of the Province of Ontario without municipal organization; (ii) are not Indigenous Lands; and (iii) are not provincial or federal Crown land.
Unique Project ID	means the unique project reference number assigned to a Long-Term Capacity Services Project by the IESO pursuant to the registration process set out in Section 3.4.
Upgrade	means the refurbishment, replacement or addition of equipment or technology in respect of an existing Electricity resource.
Website	means that section of the IESO’s website referenced as “Long-Term 2 RFP” that is dedicated to the LT2(c-1) RFP process and is at https://www.ieso.ca/en/Sector-Participants/Resource-Acquisition-and-Contracts/Long-Term-2-RFP

APPENDIX B – LT2(C-1) CONTRACT

The LT2(c-1) Contract available on the Website is incorporated in this APPENDIX B by reference.

APPENDIX C – PROPOSAL SUBMISSION LABEL

RFP No.: LT2(c-1) RFP

Full Legal Name and Address of the Proponent

NAME:

LONG TERM RELIABILITY PROJECT'S NAME:

REGISTRANT ID:

UNIQUE PROJECT ID:

ADDRESS:

CONTACT:

PHONE NO.:

E-MAIL:

**Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1
Attention: LT2 RFP**

The Postal Code is to aid in identifying the building only. The onus remains solely with interested parties to instruct courier/ delivery personnel to deliver the Proposal documents to the exact floor location specified above by the Proposal Submission Deadline. Proponents assume sole responsibility for late deliveries if these instructions are

APPENDIX D – FORM OF IRREVOCABLE AND UNCONDITIONAL STANDBY LETTER OF CREDIT

DATE OF ISSUE: [●]

APPLICANT: [●]

BENEFICIARY: Independent Electricity System Operator and its permitted assigns
(the “**Beneficiary**”)

120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

AMOUNT: [●]

EXPIRY DATE: [●]

EXPIRY PLACE: Counters of the issuing financial institution in Toronto, Ontario

CREDIT RATING: **[Insert credit rating only if the issuer is not a financial institution listed in either Schedule I or II of the *Bank Act*]**

TYPE: Irrevocable and Unconditional Standby Letter of Credit Number:
[●] (the “**Credit**”)

(Note: Replace all bold terms and [●] symbols as appropriate.)

The Credit is issued in connection with the Beneficiary’s Request for Proposals dated [*<insert RFP Effective Date>*], as amended, to solicit capacity services from new-build facilities in Ontario (the “**LT2(c-1) RFP**”) and the Proposal dated [●] for the Long-Term Capacity Services Project bearing Unique Project ID [●] submitted by the Applicant in response thereto (the “**Proposal**”).

Additionally, if the Proposal is selected under the LT2(c-1) RFP, the Credit may serve as the “**Completion and Performance Security**” (as such term is defined in the LT2(c-1) RFP) in respect of the “LT2(c-1) Contract” (as such term is defined in the LT2(c-1) RFP) as amended from time to time, between the Beneficiary and the “Supplier”, as such term is defined under the LT2(c-1) Contract.

We hereby authorize the Beneficiary to draw on [**Issuing Bank Name/Address**], in respect of the Credit, for the account of the Applicant, up to an aggregate amount of \$● (● Canadian Dollars) available by the Beneficiary’s draft at sight accompanied by the Beneficiary’s signed certificate contained either of the following statements:

- (i) “The Proponent, whose Proposal has been selected and accepted by the Beneficiary, [**has made a material misrepresentation in the Proposal**] or [**has failed, within (20) Business Days of the date on which the Proponent was given the LT2(c-1) Contract to sign, to execute and deliver the LT2(c-1) Contract or to deliver a new Completion and**

Performance Security to the Beneficiary or otherwise confirm that the Proposal Security be converted into and held by the Beneficiary as the Completion and Performance Security] and therefore the Beneficiary is entitled to draw upon the Credit in the amount of the draft attached hereto.”;

or

- (ii) “The Supplier is in breach of, or default under, the LT2(c-1) Contract, and therefore the Beneficiary is entitled to draw upon the Credit in the amount of the draft attached hereto.”

Drafts drawn hereunder must bear the clause “Drawn under irrevocable and unconditional Standby Letter of Credit No. [●] issued by **[Issuing Bank Name]** dated **[Issue Date]**.”

Partial drawings are permitted.

This Letter of Credit will automatically extend for additional, successive terms of one year each (each an “**Additional Term**”), unless the undersigned provides the Beneficiary with written notice, at least 60 days prior to the expiration date of the then current term, that it does not wish to extend this Letter of Credit for an Additional Term.

We engage with you that all drafts drawn under and in compliance with the terms of the Credit will be duly honoured, if presented at the counters of **[Issuing Bank Name/Address]** at or before **[Expiry Time]** (EST) on or before **[Expiry Date]**, as extended.

The Credit is subject to the International Standby Practices ISP 98, International Chamber of Commerce Publication No. 590, and as to matters not addressed by ISP 98, shall be governed by the laws of the Province of Ontario and applicable Canadian federal law, and the parties hereby irrevocably agree to attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

This Credit is transferable at the written request of the Beneficiary, without the consent of the Applicant, but subject to consent of the issuing financial institution, acting reasonably. All fees incurred by the issuing financial institution in relation to such transfer shall be at the Applicant's expense, but failure of the Applicant to pay such fees shall not restrict the ability of the Beneficiary to transfer the Credit.

In the event of a transfer of this Credit as provided for above, the above name of the Beneficiary will be amended to another entity by way of an amendment hereto, without the consent of the Applicant, and upon receipt by **[Issuing Bank Name]** of the Beneficiary's dated and signed letter addressed to **[Issuing Bank Name]** and completed as follows:

“We, the undersigned Beneficiary to **[Issuing Bank Name]** Letter of Credit No. [●], hereby waive all our rights under the Letter of Credit and request that the current name and address of the Beneficiary thereunder be amended to read **[insert name and address of new Beneficiary]**. We have enclosed the original Letter of Credit and all amendments (if any) thereto. Please forward the original Letter of Credit and all amendments (if any), including the current amendment to the **[new Beneficiary]**, care of the Applicant.”

[Issuing Bank Name]

By: _____

By: _____