LT2 RFP Question and Comment Period – Batch 5 (September 5, 2025)

Questions and Comments

The following document summarizes IESO responses to the fifth batch of questions and comments submitted to the IESO in respect of the final LT2 RFP documents posted on June 27, 2025, that were submitted pursuant to section 3.2(a) of the Long Term 2 Request for Proposals (LT2 RFPs) prior to the Question and Comment Deadline.

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Defined Terms

Capitalized terms used in the IESO Responses in this document, unless otherwise defined herein have the meaning given to such terms in the LT2(e-1) RFP, LT2(c-1) RFP, LT2(e-1) Contract, and LT2 (c-1) Contract, each as applicable.

Question/Comment	IESO Response
1) We have just started putting together our application for capacity and had a couple of questions regarding the submission as follows: For the 16 hr duration clause in 2.2 c of the June 27 2025 C-1 as follows: Is the 16 hr duration obligation what replaced the previous 12 hour duration ? Do we have to provide 16hr duration for the 5 day period or can we provide minimum eligibility with 12 hr? Is the 8 hr still the eligibility and do we need to have 16 hrs? Please send me the current links or reference to any information related to the duration time Do we need to keep a consistent Capacity throughout the 20 years For example if we commit 80mwh and we are approved cod ... do we need to keep that going for the full 20 years ?	The LT2(c-1) Contract does not impose an obligation that facilities must be capable of discharging for 16 consecutive hours. Instead, Section 3.1 of the Contract establishes a Must-Offer Obligation, which requires Suppliers to offer their full Contract Capacity into the IESO-administered markets during the Qualifying Hours, defined as a 16-hour window on each Business Day from Monday through Friday. This is an offer obligation, not a duration requirement. Under the E-LT1 and LT1 procurements, the minimum storage duration was 4 hours. For LT2(c-1), the RFP establishes a new minimum eligibility requirement of 8 hours of duration for energy storage facilities. There is no 12-hour standard, nor is there a requirement to provide 16 hours of discharge capability. Your commercial commitment is Contract Capacity (MW, not MWh) - you are required to maintain the Contract Capacity through the Term. The Contract provides a limited, elective mechanism for storage to reduce capacity later: Section 4.3 (Electricity Storage Facility – Option to Reduce Contract Capacity). After the 3rd Contract Year, you may reduce Summer/Winter Contract Capacity by up to 7% of the original Exhibit B value, on no more than three occasions over the Term, with 12 months' prior written notice; each reduction is permanent and proportionally reduces the Monthly Payment.
2) I have a question pertaining to such terms as "Indigenous Holding Vehicle," "Indigenous Participation Level," and so on. Does "Indigenous" mean a First Nation in Ontario only or can it be a First Nation anywhere within Canada?	For the purposes of the LT2 RFPs and Contracts, "Indigenous Community" is defined as either a First Nation Community or a Métis Community. A "First Nation Community" means: "(a) a First Nation located in whole or in part in Ontario that is a 'band' as defined in the Indian Act, RSC 1985, c I-5, as amended from time to time; or (b) a Person, other than a natural Person, that

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	has been determined by the Government of Ontario (for purposes of this Agreement or the LT2 RFPs) to represent the collective interests of a community that is composed of First Nation natural Persons in Ontario." A "Métis Community" means: "(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 Agreement or the LT2 RFPs) to represent the collective interests of a community that is composed of Métis natural Persons in Ontario." Accordingly, for the LT2 procurements, "Indigenous" is Ontario-specific and does not extend to First Nations or Métis communities located wholly outside Ontario.
3) I realize the First Nation definition has been updated to only include Ontario First Nations. We are a First Nation company with 51% ownership in British Columbia. Would we have any consideration for scoring for the LT2 project in Ontario?	Please see the response to Question #2. Rated Criteria Points tied to First Nation participation apply only where the entity qualifies as an Ontario First Nation under the RFP definition. A First Nation company with majority ownership located outside Ontario (e.g., in British Columbia) would not be eligible for Rated Criteria Points associated with Ontario First Nation participation.
4) I'm reaching out to request clarification regarding the Monthly Payment and Revenue for Electricity Production under the following assumptions: Let's assume we are working with 12.30 MW of MCC and a contracted rate of $x,xxx.00/MW/day (FCPdB), based on 20 business days per month. Assuming there are no outage hours, could you please confirm the calculation criteria or any insights regarding the expected Monthly Payment (MCPm) and Revenue from Electricity Production in the following three scenarios?	Under the LT2(c-1) Contract, the contract settlement is entirely separate from market settlement. The Monthly Capacity Payment (MCPm) is determined based on the Supplier's Maximum Contract Capacity (MCC), the Fixed Capacity Payment rate ($/MW-Business Day), and the number of Business Days in the month. For example, with an MCC of 12.3 MW, the MCPm would equal 12.3 MW × FCPdB × 20 Business Days. This payment is fixed and does not vary with the number of hours the facility actually operates or the volume of energy delivered, provided that the Supplier continues to satisfy its availability and Must-Offer Obligations.

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<tr><th>Question/Comment</th><th>IESO Response</th></tr>
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<tr><th>Month</th><th>Monthly Electricity Production (MWh)</th><th>Monthly Capacity Payment (MCPm or MPm if ANPCm = 0)</th><th>Monthly Revenue from Electricity Production</th></tr>
<tr><td>Month-1</td><td>0 MW × 16 h/day × 20 days = 0 MWh</td><td></td><td></td></tr>
<tr><td>Month-2</td><td>12.3 MW × 16 h/day × 20 days = 3,936 MWh</td><td></td><td></td></tr>
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Monthly Electricity Production (MWh)
Monthly Capacity Payment (MCPm or MPm if ANPCm = 0)
Monthly Revenue from Electricity Production
Month-1
0 MW × 16 h/day × 20 days = 0 MWh
Month-2
12.3 MW × 16 h/day × 20 days = 3,936 MWh
Month-3
12.3 MW × 8 h/day × 20 days = 1,968 MWh (Assuming we operate only 8 h/day)

Additionally, I would appreciate your guidance on the following:

If we hold a bid contract at $x,xxx.00/MW/day (FCPdB), are we required to operate the engines for the full 16 hours of every business day throughout the year (excluding any planned outage periods) in order to maintain the full capacity payment?
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Separately, the facility will settle with the System Operator based on actual operation and dispatch under the IESO Market Rules. This means that differences between the stakeholder’s scenarios (0 MWh, 3,936 MWh, or 1,968 MWh) would show up only in their market revenues, not in their MCPm.

It is important to clarify that the 16-hour requirement under the LT2(c-1) Contract does not mean the facility must operate for 16 hours each Business Day. Instead, it defines the Qualifying Hours during which the Supplier must offer its full Contract Capacity into the market. Actual production will depend on system needs and market dispatch outcomes.

In short, as long as the Supplier satisfies the Must-Offer and availability obligations, the Monthly Capacity Payment remains unaffected by actual operating hours, while market revenues will vary with dispatch.
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5) I’m reaching out with a follow-up question regarding LDC responsibilities during deliverability assessments. This question relates specifically to reporting option 1, where LDC’s determine which tests are appropriate. If an LDC does not conduct a certain test and clears the project as “Deliverable”, but it’s later discovered that the project cannot connect or discharge at
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The LT2 RFPs and Contracts set out the framework for deliverability assessments (see Section 4.5 of the LT2(e-1) RFP and LT2(c-1) RFP). The responsibility for ensuring deliverability lies within the System Operator-administered process, guided by the principles specified in the LT2 RFPs and applicable Market Rules. Neither the LT2 RFPs nor the LT2 Contracts impose liability on LDCs with respect
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the expected rate (or at all), would there be liability implications for the LDC? To help provide clarity and protect all parties involved, I respectfully request that the final deliverability process include a disclaimer or statement explicitly confirming that LDCs will not be held liable for downstream integration issues, provided our assessments are conducted in good faith and in accordance with IESO's stated principles. I'd appreciate your thoughts on whether the IESO would consider including such language in the final guidance document.	to downstream integration issues or project performance. The IESO does not intend to modify the procurement documents to include disclaimers related to LDC liability. Any such changes would require legal and procurement review and could not be addressed through Q&A. Proponents and LDCs are expected to conduct assessments in accordance with applicable Laws and Regulations and their respective contractual obligations..
6) I have a question about the Rated Criteria Points, especially section 4.3 a&b, the Indigenous Community Participation. Since the involvement of local indigenous communities are separately specified in section 4.3b, but the section only speaks in detail about the land of the project site, I just wanted to clarify that the Rated Criteria Points according to section 4.3a can be obtained irrespective of the location of the indigenous community, specifically the indigenous community itself does not have to be located in Ontario. Is that correct?	Please see the response to Question #2.
7) We are seeking clarification on a few points related to our LT2 (C-1) contract that may require your attention: 1. Bidding Price ($/MW/business day): Is the bid submitted as a single fixed price for the entire day, or is it applied on an hourly basis? 2. Electricity Revenue Settlement: Under the new MRP system, will the revenue for electricity production be also settled on an hourly basis?	1. Under the LT2(c-1) RFP and Contract, Proponents submit a single Fixed Capacity Payment bid expressed in $/MW/Business Day. This bid price applies as a daily rate, not as an hourly settlement value (see Section 4.1 of the LT2(c-1) Contract). 2. Energy market revenues for electricity production are settled in accordance with the IESO Market Rules. The LT2(c-1) Contract does not alter the System

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	3. Reliability Dispatch Frequency and Payment: How often can we expect reliability dispatches in a typical month? Additionally, how are the rates determined for both reliability dispatch and forced dispatch events? 4. Capacity Payment Requirements: If we hold a bid contract at $X,XXX.00/MW/day (FCPdB), are we required to operate the engines for the full 16 hours of each business day throughout the year (excluding planned outages) to maintain full capacity payments?	Operator’s standard energy market settlement processes, which are based on hourly intervals. 3. Reliability Dispatch Frequency and Payment: The frequency of reliability dispatches is system-dependent and not prescribed under the LT2(c-1) Contract. Payments for reliability dispatches and forced dispatches are determined in accordance with the IESO Market Rules and the provisions of Article 4 (Monthly Payment) and Article 14 (Liability and Indemnification). The Contract does not guarantee any number of reliability dispatches in a given month. 4. Capacity Payment Requirements (16-hour operation): The LT2(c-1) Contract does not require a facility to operate for a fixed number of hours each day to receive capacity payments. Instead, the Supplier must meet its Must-Offer Obligation (Section 3.1) and comply with dispatch instructions issued by the IESO. Full capacity payments are contingent on compliance with these obligations, not on maintaining continuous operation for 16 hours per business day.
8)	I would like to request base cases for our internal due diligence of performing load flow studies for our LT2 submission. Could you please assist me in obtaining them.	The IESO does not provide base cases for load flow studies as part of the LT2 RFP process. Proponents can readily rely on publicly available IESO planning resources (e.g., Preliminary Connection Guidance documents, LT2 RFP Connection Guidance Map, Annual Planning Outlook, Regional Planning Reports) and request a preliminary connection guidance consultation with the IESO and/or request consultation with the owner/transmitter of the prospective connection facility and/or Local Distribution

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	Company (LDC) to obtain any data required for internal studies. Separate from the procurement, proponents may request a generic system base case by emailing IESOCustomerRelations@ieso.ca. It would then be the Proponent's sole responsibility to perform any studies.
9) Our team had a question that we were hoping your team could help provide some resolution to: "From the time that a purchase of land closes it can take up to 21 days, and sometimes longer for the Land Registry Office to certify a registered transfer/deed of land such that the change in ownership appears on the parcel register. As a result, a Proponent that acquires land within the period of 21 days preceding the proposal submission deadline may not be able to demonstrate land ownership by providing a "parcel register" as required by the LT2 RFP. However, under Ontario Law, the transfer of land is effective as of the date that the transfer/deed is registered, not the date that the transfer/deed is certified. Accordingly, an executed and registered transfer/deed is evidence that the purchaser has obtained ownership of the lands. Please confirm that, were a conveyance to occur, but not yet be certified such that it appears on a parcel register, that: (i) submission of an executed and registered transfer/deed in respect of a Project Site, and/or (ii) a letter of Proponent as the "holder of registered title" stating that it owns the lands, would be sufficient evidence that Proponent is the registered owner of the Properties included in the Project Site. Note that in this scenario the seller of the land (and the party that would appear as the owner of the land on a current	In these circumstances, where a parcel register does not yet show the certification of a recent registered transfer of the title of the Property to the current owner (regardless of whether the Proponent is the current registered title holder), the IESO will accept registered transfer documentation (referred to as a "transfer" or "transfer deed") with the applicable Land Registry Office in lieu of a current parcel register as evidence of the current registered title holder of the Property. Proponents are reminded that if a Person other than the Proponent is the transferee and current holder of registered title to the Property, a letter from such current owner addressed to the IESO confirming the contractual rights of the Proponent is required as set out in the Prescribed Form: Access Rights Declaration.

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parcel register) cannot provide a letter as the "holder of registered title" as it no longer holds registered title."	
10) Please find a number of questions related to LT2 (c-1) below. Recognizing the question deadline has passed for LT2 (e-1), there is one note on the LT2 (e-1) Proposal Workbook where certain cells are locked. 1. LT2(e-1) PF: Workbook, Tab: Connection Information, item #196, cells D143 and F143 are locked. 2. PF: Access Rights, Exhibit D is the form of attestation, but should there be an Exhibit F to attach the executed attestation? 3. LT2(c-1) PF: Proposal Workbook, Tab: Project Information, item #64, can alternative address information be provided (ex. PIN) if a municipal address is not available? 4. LT2(c-1) PF: Proposal Workbook, Tab: Project Information, item #74 and 75 requests GPS coordinates for the Project Site. Where a Project Site is made up of multiple parcels that are non-contiguous, is IESO anticipating that a single GPS lat/long will be provided or multiple GPS coordinates per parcel? If a single lat/long, which to parcel should be chosen? In some cases there may be different POIs (Common Corridor circuits/feeders). 5. LT2(c-1) PF: Proposal Workbook, Tab: Project Information, item #28, can an HST number be submitted in the bid proposal from parent company? Can this be updated at a later date? 6. LT2(c-1) PF: Proposal Workbook, Tab: Project Information, The line item numbers are incorrect /inconsistent on the Project information tab and there are some formatting errors (eg: LT2(e) mentioned instead of LT2(c-1)).	1. Updates have been made in LT2(e-1)PF-PW100(v2) posted on August 14, 2025 2. Exhibit D to the Prescribed Form: Access Rights is the form of attestation specifically for projects that are proposing to be located in whole or in part on Crown lands where the Crown Land Shapefile is submitted and the attestation must be submitted together with Crown Land Shapefile. No further attachment to or appendix to this attestation is required. 3. Where a municipal address is not available, other applicable information related to the location of the Project Site (e.g. legal description of Project Site) would be acceptable. 4. The IESO is requesting that only a single set of GPS coordinates be provided for the Project Site. Where a Project Site is not on contiguous lands, the GPS coordinates of the most central part of the Project Site, where part of the Long-Term Energy Project or Long-Term Capacity Services Project's proposed facility will be located, should be provided. 5. The Proponent HST Registration Number can be updated after contract award prior to contract execution if the Proposal becomes a Selected Proposal, or after contract execution should the HST Registration Number change at that later time.

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	6. Updates have been made in LT2(c-1)PF-PW100(v2) posted on August 14, 2025
11) Greetings, I would like to submit the following three questions: 1. Could a LT2 c-1 proponent participate in the capacity auction or other revenue streams with the same capacity submitted as a proposal and could we build or add more storage capacity and use that for other revenue streams as long as we meet our contract LT2 commitment to the IESO? 2. With respect to a PQ alternate (Proposal Qualification Alternate) as stipulated within the LT2(c)-1 RFP, is a proponent permitted to provide alternate pricing aligned with the PQ Alternate? 3. What is the LT2 Window 1 earliest commissioning date to be contracted (to complete early COD payment)?	1. Please see the response to Question #28 from [LT2 Questions and Comments – Batch 3]. The expansion or addition of storage capacity would constitute a Facility Amendment, which is not permitted without written consent from the IESO. 2. The LT2(c-1) RFP permits submission of a Proposal PQ Alternate to demonstrate flexibility in project design by enabling smaller-scale project designs within the footprint of the Project Site for the Primary Proposal PQ in the event of deliverability constraints. A Proponent may submit a different price for a PQ Alternate than the price submitted for its Primary Proposal PQ. Note, however, that only one price may be submitted per PQ Alternate. 3. There is no minimum limit on how early a Facility may achieve Commercial Operation under LT2 Window 1. If COD occurs within the periods listed in the Early COD Payment Multiplier table, the applicable multiplier applies from such early COD through the fixed COD Bonus End Date. Refer to Section 2.3(b) (Early COD Payment Multiplier table): Prior to and until April 30, 2029: 1.5 Multiplier May 1, 2029 – December 31, 2029: 1.4 Multiplier January 1, 2030 – April 30, 2030: 1.2 Multiplier.
12) The Clean Electricity Regulations ("CER") are now in effect, and they establish 2035 as the	The IESO will not amend the LT2(c-1) RFP to include evaluation of Proponents' GHG

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deadline for a net-zero emissions electricity grid for Canada. Section 2.14(b) of the LT2(c-1) Contract ("the Contract") requires Suppliers to submit GHG Abatement plans to detail how they will comply with the GHG Limitations (but this is not required at the Proposal Submission Deadline). Under s. 2.14(d) of the Contract, Suppliers can elect to either put the Facility into a Safe Standby State and continue to receive the full Fixed Capacity Payment or decommission the Facility and have the Fixed Capacity Payment reduced by 25%. In either event the Facility will incur lower fixed costs from 2035 to the end of the Term and will be compensated for capacity it no longer can provide. These lower fixed costs will be reflected in a lower Fixed Capacity Payment unlike other natural gas-fired Facilities not captured by the CER unless the cost of replacement capacity is factored into the analysis. Will the IESO amend the LT2(c-1) RFP to include an evaluation of the GHG Abatement Plan and factor these costs, i.e., the cost of replacement capacity into the economic evaluation of Proposals? I think that this will result in an accurate value-for-money assessment of proposals and enhance the transparency of the process by including all relevant costs for Proposals.	Abatement Plans or to factor in the cost of replacement capacity under the Clean Electricity Regulations. As set out in Section 2.14 of the LT2(c-1) Contract, GHG Abatement Plans are required to be submitted by Suppliers following contract execution, not at the Proposal Submission Deadline. Evaluation of Proposals will continue to be conducted in accordance with Section 3.6 of the LT2(c-1) RFP, which specifies the applicable economic and technical criteria. Accordingly, the economic evaluation methodology does not include CER-related cost adjustments, replacement capacity cost factors, or GHG Abatement Plans.
13) We are currently putting a proposal together for the LT2 (e-1) RFP. While reading through the supporting document "Municipal Guide (Version 1, July 16, 2025)" we came across the term "Maximum price threshold" on page 9 and have been unable to find an official definition for the term. Are there any supporting documents or additional resources that would clarify this term?	The term "maximum price threshold" as referenced in the Municipal Guide (Version 1, July 16, 2025) is not a defined term in the LT2(e-1) RFP, Contract, or Addenda. The phrase in the Municipal Guide is intended as a plain language reference to the ceiling on proposal pricing described in the RFP. For clarity, the applicable provisions are set out in the LT2(e-1) RFP, Section 4.4 (Proposal Weighted Average Price), which specifies that Proposals that exceed the Proposal Average

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	Price of all Proposals by more than 40% will not be evaluated further and will be rejected. There are no additional supporting documents beyond the RFP itself on this issue. Proponents should rely on Section 4.4 of the RFP as the authoritative source.
14) Question 1: The definition of Common Corridor Circuits as per Appendix A of the LT2(c-1) RFP states "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." This definition, however, does not cover cases where 2 circuits, while not starting and ending at common transmission station, partially share the same or very proximate land-based rights of way for a part of the circuits' length, but do not share the same or proximate rights of way for the rest of the length, yet remaining relatively parallel. Would such circuits be considered Common Corridor Circuits in their entirety, only in the parts where they utilize the same or proximate parallel land-based rights of way before they split apart, or not at all?	The definition of Common Corridor Circuits in Appendix A of the LT2(c-1) RFP is intended to apply to circuits that are materially parallel along shared or proximate rights of way. Where circuits only partially share such rights of way, they would be considered Common Corridor Circuits only for such portion. For the remainder of the route where the circuits diverge and no longer utilize proximate rights of way, the definition would not apply.
15) Hello again: when it comes to pricing, is compensation meant to be for energy or power? If proponents provide power for a twelve hours, is the payment 12 times a given amount, or would it be the same no matter how many hours of power are provided?	Compensation depends on the applicable contract stream: LT2(c-1) Contract: Compensation is structured as a Fixed Capacity Payment, which is based on the contracted capacity (MW) on a $ per-MW per-Business Day basis. This payment does not vary with the number of hours energy is provided. Energy market revenues, where applicable, continue to be settled separately under the IESO's market rules. LT2(e-1) Contract: Compensation is based on the Fixed Price ($/MWh) and the Imputed Production Factor submitted by the Proponent. This deeming-style structure pays for energy on a notional basis (using deemed production),

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	rather than being directly linked to the actual number of hours energy is delivered.
16) Regarding the fixed capacity payment given in $/(MW-business days) for energy storage, is this payment independent of the duration of the storage? For example, will the payment be the same if it can deliver the contract capacity for 8 hours or 12 hours on that business day?	Under the LT2(c-1) Contract, the Fixed Capacity Payment is expressed in $/(MW-Business Day) and is based on the Facility's Contract Capacity. It is not dependent on whether the Facility can discharge for 8 hours or 12 hours, provided it meets the Minimum Storage Duration Requirement set out in the RFP and Contract. That said, while storage duration does not affect the contract payment itself, it will influence a Facility's actual market revenue potential as well as the rated criteria points awarded during the RFP evaluation process.
17) To confirm contract clause 2.5(a)(i)(D), do we need to maintain our BESS contract capacity throughout the entire contract term? For example, is there any permitted degradation, or do we need to maintain full capacity (100%) for the life of the contract period? Meaning any expected degradation would need to be balanced with a reduction in contract capacity according to clause 4.3?	Yes, clause 2.5(a)(i)(D) of the LT2(c-1) Contract requires Suppliers to maintain the committed Contract Capacity throughout the Term. The Contract does not otherwise allow for automatic degradation below this level. However, Section 4.3 of the LT2(c-1) Contract ("Electricity Storage Facility Option to Reduce Contract Capacity") provides a limited mechanism for Suppliers to address expected degradation. Specifically, after the third (3rd) Contract Year, a Supplier may, on up to three occasions during the Term, elect to reduce the Summer and/or Winter Contract Capacity by no more than seven percent (7%) of the original Contract Capacity set out in Exhibit B. This means that Proponents must either plan to mitigate degradation in order to maintain 100% of the committed Contract Capacity, or proactively use the Section 4.3 mechanism to reduce capacity in limited increments (up to 7% each time, maximum three times during the Term).
18) We have some questions regarding ORTAC document: 1. ORTAC Section B.3.3 Maximum Breakers states "Station layout should be such that a	The proposed connection configuration will be assessed during the Connection Assessments and Approval stage. In general: 1. ORTAC Appendix B only applies to high-voltage transformer and switching

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maximum of 6 High Voltage (500kV, 230kV and 115kV) and up to 2 capacitor or 2 Low Voltage breakers are needed to trip following any fault (operation of the capacitor breaker does not involve interruption of fault current)." Appendix D Figure 1 low voltage breakers as optional and Figure 2 doesn't show HV breakers on each of the GSU's, just at the interconnection with the utility. Are HV breakers required on each of the GSU's in the station? If yes, is a generator allowed to have more than 6 breakers operate in the case of a fault on the HV bus inside the generating station? 2. In the case of a 4-circuit connection, can the site be connected via Figure 1 or Figure 2 in Appendix D with the station divided into two double circuit line connections, or is a full switching station required to connect all four lines?	stations as indicated in section 6.4. Therefore, Section B.3.3 does not necessarily apply to the internal configuration of the generating stations. Per the example in Appendix D Figure 2, high-voltage breakers are not required on each GSU transformer. However, the specific requirements for the connection configuration of each given facility will be determined at the Connection Assessment and Approval stage by the IESO and applicable Transmitter. 2. A project may be able to connect with the station divided into two double-circuit-line connections that follow figures 1 or 2 in Appendix D, provided the amount of generation for each double-circuit-line connection does not exceed 500MW. However, the specific requirements for the connection configuration of each given facility will be determined at the Connection Assessment and Approval stage by the IESO and applicable Transmitter. It's highly recommended that all Proponents discuss connection arrangements with the applicable Transmitter prior to submitting a Proposal to further understand what is acceptable.
19) I have a few questions related to rescinding CIAs that apply to both LT2c and LT2e. Eligibility Requirements 2.1 (e) No CIA Can the IESO confirm how this will be assessed? Should proponents that have previously applied for CIAs provide evidence that they have either rescinded the CIA or that the capacity allocation has expired? Eligibility Requirements 2.1 (e) No CIA Where a	Proponents must not have an active CIA for the proposed facility as of the Proposal Submission Deadline. If a proponent has previously applied for a CIA, they must demonstrate either that (i) the CIA has been rescinded, or (ii) the capacity allocation arising from such CIA has expired. If the Local Distribution Company has confirmed in writing that the capacity has been released, and as a result the CIA cannot be rescinded, then this confirmation will satisfy the

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proponent applied for a CIA for a Long Term Energy Project, but who received a confirmation from the Local Distribution Company that the capacity has been released, and therefore the proponent cannot rescind the CIA, can the IESO confirm the Proponent is not required to rescind the CIA? Eligibility Requirements 2.1 (e) No CIA How will the IESO ensure that proponents are not reserving capacity for future LT-2 windows in advance of completing the deliverability assessment for LT-2 window 1? It is possible that proponents can obtain CIAs and reserve capacity now in advance of the LT2 Window 1 submission deadline for the purposes of the LT-2 Window 2 or Window 3 submissions.	requirement. A proponent in this situation is not required to rescind the CIA. With respect to the concern about reserving capacity for future windows, the IESO notes that the intent of the "No CIA" requirement is to ensure that capacity is available for deliverability testing in the current window. While the rules do not explicitly describe the case where a proponent applies for a CIA now but withholds the project from Window 1 in order to submit in a later window, the IESO reserves the right to take action against attempts to circumvent the intent of the RFP and overall policy relating to allocation and reservation of connection capacity.
20) "First Nation Community" means: (a) a First Nation located in whole or in part in Ontario that is a "band" as defined in the Indian Act, 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 Agreement or the LT2(c-1) RFP) to represent the Collective interests of a community that is composed of First Nation natural Persons in Ontario. For the Rated Criteria Points, does that mean that when an indigenous community from outside of Ontario participates, that would still lead to 0 points in that category?	Yes. Please see the response to Questions #2 and #3.
21) Could you please clarify whether the contract capacity (MW) for the capacity	As per Section 2.2(d)(i) of the LT2(c-1) RFP:

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stream RFP should be calculated before or after subtracting the loads? The RFP states that the contract capacity cannot exceed 95% of the nameplate capacity, but it is unclear whether this figure is determined after accounting for the loads.	"The Maximum Contract Capacity may not be more than ninety-five percent (95%) of the Nameplate Capacity of the Facility." The Nameplate Capacity means the rated, continuous load-carrying capability, expressed in MW in Exhibit B, of the Facility to generate or store (as applicable) and Deliver Electricity at a given time, and which includes the Contract Capacity. Accordingly, the calculation of the Maximum Contract Capacity (i.e., the 95% cap) is based on gross Nameplate Capacity before subtracting loads. That said, Proponents should note that while the contractual cap is based on gross capacity, their proposed Contract Capacity must reflect the net deliverable capacity to the grid, as this is the level of performance that will be required under the contract.
22) In questions 28, response 2, of the Batch 3 Q&A, you indicated as follows: "A Long-Term Energy Project awarded an LT2(e-1) Contract cannot participate in the IESO Capacity Auction, as only noncommitted resources (defined in the Capacity Auction rules as the resource for a facility that is neither in whole or in part rate-regulated, contracted to the IESO, contracted to the OEFC, or obligated as a resource backed capacity export to another jurisdiction during the entire duration of a given obligation period) are eligible to participate in the Capacity Auction. A Long-Term Energy Project may, however, offer Related Products such as Operating Reserve and other Ancillary Services to the IESO Note that the Contract Capacity of the project that is the subject of the LT2(e-1) Contract must not be used to monetize Future Capacity Related Products without the IESO's prior consent, at the IESO's sole discretion."	1. Yes. The restriction on participation in the IESO Capacity Auction applies equally to all Long-Term Energy Projects awarded a Contract under either LT2(c-1) or LT2(e-1), as these projects are considered "committed resources" under the Capacity Auction rules and therefore ineligible to participate. 2. Correct. The note regarding Future Capacity Related Products was included for completeness and does not alter the conclusion that Proponents may use their Contract Capacity to provide Related Products such as Operating Reserve and other Ancillary Services to the IESO. This remains subject to the applicable terms of the Contract. 3. For LT2(c-1) Contracts, proponents may build additional capacity beyond the Contract Capacity, provided that the Contract Capacity is exclusively

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Please confirm that: 1. the response above applies equally to any capacity project - i.e., a Long-Term Energy Project that is awarded an LT2(c-1) Contract; 2. the final note about Future Capacity Related Products was for completeness only but does not change the conclusion that a Long-Term Energy Project may use Contract Capacity that has been committed under an LT2(c-1) or LT2(e-1) Contract to offer Related Products such as Operating Reserve and other Ancillary Services to the IESO; and 3. the restrictions and limitation on participating in IESO Capacity Auctions and on monetizing Future Capacity Related Products apply only in respect of Contract Capacity and would not apply to extra project capacity (if the project is built to include more capacity than its Contract Capacity).	committed to the Buyer. Section 2.12 ("Other Commitment of Contract Capacity") of the LT2(c-1) Contract states: "The Supplier shall ensure that the Contract Capacity is exclusively committed to the Buyer hereunder and that no part of the Facility is subject to any other procurement contract with the Buyer or any other physical or contractual arrangement that conflicts with the Supplier's ability to satisfy the Must-Offer Obligation during the Term." Under the LT2(c-1) Contract, any additional capacity beyond the Contract Capacity is outside the scope of the Contract and may be used to pursue other revenue streams, including participation in the Capacity Auction, subject to applicable market rules. For LT2(e-1) Contracts, however, the Nameplate Capacity is defined as the Contract Capacity, meaning there is no additional capacity beyond the contracted amount to allocate elsewhere.
23) Given that the LDCs are involved in assessing the deliverability of LT2 Projects, can the unregulated arms of the LDCs/OPG bid into the LT2 RFP?	Yes. The unregulated affiliates of LDCs and OPG are permitted to participate in the LT2 RFPs, provided they meet all of the eligibility requirements set out in the RFP. To ensure fairness and transparency in the procurement process, LDCs are required to maintain strict separation between their regulated functions (such as providing deliverability assessments) and their unregulated competitive affiliates that may participate in the RFP. This separation is intended to prevent conflicts of interest and ensure that no participant has an

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	undue advantage. The IESO will continue to monitor compliance with these requirements, and proponents should ensure their corporate structures and bidding practices are consistent with applicable market rules, codes of conduct, and the RFP provisions.
24) Upon further detailed review of the LT2 contracts, we identified the following issue: * The limits on reducing Indigenous Equity Participation during the first 5 years of the LT2 contract (the "Minimum Reduced IPL") creates project financing concerns as this limits a project lenders' ability to enforce on the loan. * Given the increased risks to lenders presented by the Minimum Reduced IPL structure, lenders may take protective measures to mitigate such risks, including by (i) opting for shorter term financing arrangements, (ii) raising financing costs, (iii) decreasing their leverage position, and/or (iv) implementing credit support requirements or other mitigants. This creates uncertainty regarding financing terms for LT2 projects, which, in turn, creates uncertainty for LT2 bidders that are not easily quantifiable at this time, increases risks for LT2 projects, and may lead to higher priced bids. * As a solution, we recommend that the IESO amend section 16.7(b) to make the requirement inapplicable upon a bona fide enforcement by a secured party.	The IESO acknowledges the concern regarding the Minimum Reduced IPL and its potential impacts on project financing. However, Section 16.7(b) of the LT2 Contracts reflects a deliberate policy decision to protect and maintain Indigenous Equity Participation during the early years of the contract term, with a view to ensuring that Indigenous partners realize the intended long-term economic benefits of participation in LT2 projects. At this time, the IESO does not intend to amend Section 16.7(b) to create an exception for lender enforcement actions. Proponents and their lenders should take this requirement into account when structuring financing arrangements.
25) Following up on the questions I posed on today’s LT2 webinar, I’ve resubmitted those questions in writing here. * Has the IESO consulted HONI and other applicable transmitters to ensure that the	The IESO has consulted Hydro One and other applicable transmitters regarding Tx Connection timelines. The 18-month deadline for providing a Tx Connection Exceedance Notice was established to balance proponents’ need for certainty with the practical timelines required by transmitters. If the delay to meeting the

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deadline for making a Tx Connection Exceedance Notice of 18-months from the Contract date provides the applicable transmitted sufficient time to issue a "connection and cost recovery agreement or similar binding agreement"? What recourse do proponents have if delays attributable to the applicable transmitter prevent proponents from issuing the notice on time? * Provided the IESO agrees with the proponents Tx Connection Exceedance Notice, what decision criteria will the IESO use to determine whether to reimburse submitted costs or terminate the contract? * If the IESO rejects the Tx Connection Exceedance Notice (for instance, because the 130% Connection Cost Exceedance threshold isn't met), what are the ramifications for the contract and securities? * If a proponent meets the criteria for a t-tap, per the IESO Generalized Tx Connection Cost Reference document, but the eventual connection and cost recovery agreement or similar binding agreement stipulates a switching station, will there be relief if the applicable transmitter cannot complete the switching station in advance of the Milestone COD? Longstop date? Would Force Majeure apply? And one additional question… * Please clarify the definition of Nameplate Capacity in the LT2(c-1) Contract, as the point at which the Nameplate Capacity is measured is not defined. Is the Nameplate Capacity the rated, continuous load-carrying capability in MW measured at the point of interconnection? Or some other point?	deadline is attributable to a Force Majeure event, proponents may seek relief under the Force Majeure provisions of the contract. The IESO will review the supporting documentation and assess whether the proposed Connection Costs exceed the 130% threshold relative to the applicable reference cost. Where the threshold is met, the IESO may elect either to reimburse allowable costs incurred or to terminate the contract, which determination will likely depend on the scale of the exceedance, the impact on system planning, and the overall feasibility of proceeding. If the IESO rejects a Tx Connection Exceedance Notice (e.g., because the cost exceedance threshold is not substantiated to the IESO's reasonable satisfaction), the Proponent remains obligated to continue performance under the contract. The contract and security remain in place and enforceable unless terminated under another contractual provision. If the delay in completion of a required switching station meets the conditions of Force Majeure as set out in the LT2 Contracts, then relief would be provided. Specifically, Section 11.3(e) of the LT2(c-1) and LT2(e-1) Contracts includes within the definition of Force Majeure: "delays or disruptions in the construction of Transmission System assets required for the Facility to Deliver Electricity, provided that such delay or disruption is not caused by the Supplier or any of its contractors or suppliers." The IESO Generalized Tx Connection Cost Reference is not to be relied upon for planning purposes. As the document states: "The connection arrangement criteria and reference costs described below are solely for the purposes of use by Proponents/Suppliers

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	and the IESO to administer the potential application of Sections 2.2(e), (f) and (g) of the LT2(e-1) Contract and the LT2(c-1) Contract and for no other purpose. This document and the CCRs set out below do not represent an engineering forecast by the IESO of any particular Transmitter's guidance, costs and/or cost allocation for any particular connection configuration… Final connection arrangements will be determined based on the SIA/CIA, the Transmission System Code, applicable Laws and Regulations, and the Transmitter's OEB-approved procedures." Accordingly, the actual connection arrangement (e.g., switching station instead of a t-tap) will be determined by the applicable connection assessment and agreement with the Transmitter. Under the LT2(c-1) Contract, Nameplate Capacity is defined as the rated, continuous load-carrying capability of the Facility in MW, as determined by the manufacturer of the Facility's equipment and as registered with the IESO. While the contract does not explicitly state the measurement point, Proponents should assume that Nameplate Capacity refers to the Facility's gross maximum capability, rather than a net value measured at the interconnection point (i.e., it does not subtract station service or auxiliary load).
26) * Can you confirm whether a right of access for the transmission line must be demonstrated regardless of the distance between the substation and the POI? * In the case where the transmitter, during the pre-consultation, indicates that a T-tap is permitted but later requires a sectionalizing switching station during the CIA/SIA studies, would it be possible to apply the Tx Connection Cost Exceedance mechanism?	No. For purposes of the LT2 RFPs, Proponents are only required to document access to the Project Site (which excludes the Connection Line). As part of applicable connection procedures with applicable Transmitters and Distributors, Proponents must demonstrate a secured right of access for the transmission line connection regardless of the distance between the project substation and the point of interconnection (POI).

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* If the declared capacity factor (CF) of a project changes due to technological improvements, is it possible to revise the CF, and at what stage of the process would such a revision be accepted? * Can you clarify why there is no difference in Connection Cost Responsibility (CCR) between connecting at 115 kV and 230 kV?	Yes. If the IESO Tx Generalized Connection Cost Reference indicates that a T-tap is the appropriate reference cost, but the transmitter later requires a sectionalizing switching station during the CIA/SIA process and provides a written estimate of connection costs more than 30% above the reference cost for a T-tap set out in the IESO Tx Generalized Connection Cost Reference, Suppliers may submit a Tx Connection Cost Exceedance Notice, provided that the Notice is delivered within 18 months of the Contract Date. The IESO will assess such situations based on documentation from the transmitter and the applicable provisions of the contract. The Imputed Production Factor (IPF) is a Proposal input used in the economic evaluation and forms part of the contractual payment structure under the LT2(e-1) Contract. As such, it cannot be revised after Proposal submission. Proponents should submit monthly IPFs that reflect their best expectations, including anticipated technological performance. Any subsequent technological improvements cannot be used to revise the IPF within the same procurement process, though they may be reflected in future procurements. The CCR framework allocates cost responsibility to Proponents based on project-driven connection costs rather than voltage class. While costs for 230 kV connections may be higher in absolute terms, the CCR framework is applied consistently to ensure fairness and transparency across projects, irrespective of whether they interconnect at 115 kV or 230 kV.
27) * The IESO's publicly stated timeline to complete the SIA and CIA is 13 months * HONI's publicly stated timeline to complete a CCRA is 4 months * Accordingly, the timeline for an SIA, CIA, and CCRA is 17 months, provided there are no delays	Thank you for bringing attention to the concerns regarding early technology selection and potential impact of changes post-SIA. We remain confident that the typical timelines for completing the SIA/CIA should be sufficient. Our teams are committed to working in close collaboration with Proponents and in parallel as

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* In order to submit the SIA, BESS developers need to have already selected a BESS technology. Given the tight 17-month SIA/CIA/CCRA timeline, BESS developers will need to select a BESS supplier – and make any associated financial commitments – prior to the Contract Date in order to ensure the SIA process is kicked off in time to receive their interconnection cost estimate by the 18-month deadline. * Additionally, changing the BESS technology following SIA submission will result in delays to the timeline and trigger a need to re-study, further jeopardizing the 18-month deadline. In light of the above, we'd respectfully recommend extending the deadline to 24-months post Contract Date.	much as possible to speed up the connection process, providing early information and support at key milestones. It is also critical for developers to provide project details promptly, and to engage with our technical staff proactively.
28) 1. We have a potential project that includes one parcel of land that will not be used for generating equipment, but will house the Connection Point. Approximately 50% of this parcel is Indigenous treaty settlement land. The Connection Point is on the non-treaty settlement portion of the parcel. Having reviewed the LT2(e-1) RFP document and the Prescribed Form: Evidence of Indigenous Support, we believe that an Indigenous Support Confirmation is not required in this case. Please advise if this interpretation is correct; and if not, why. 2. Do the s. 3.5 Communications rules apply to a Municipal council with a proposed project in their Municipality, but who are not a Proponent and are not engaged in developing or submitting the Proposal? 3. In the LT2 Q&A – Batch 3 (posted August 14, 2025), there appears to be contradiction	1. Indigenous Support Confirmation – Treaty Settlement Land If any portion of a Project Site is located on Indigenous treaty settlement land, even if the Connection Point itself is situated on the non-treaty portion of the parcel, the project would still be considered as having part of its Project Site on Indigenous Lands (as defined in the RFP). As such, an Indigenous Support Confirmation would be required under the LT2(e-1) RFP. This requirement ensures proper recognition and engagement where Indigenous treaty settlement lands form part of a Project Site. 2. Application of Section 3.5 Communications Rules Section 3.5 of the RFP applies specifically to Proponents, their advisors, and any

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on requirements for a Project Site on Unincorporated Territory. The IESO response to question (23)(1) says "For Proposals with Project Sites located in whole or in part on Unincorporated Territory, the LT2 RFP requires a Prescribed Form: Confirmation of Unincorporated Territory". The IESO response to question (30)(1) says "the Prescribed Form: Confirmation of Unincorporated Territory does not need to be submitted if the entirety of the Project Site is located on Crown Land in an unincorporated township." Can the IESO clarify the requirement in this regard for a Project site in whole or in part on Unincorporated Territory; and does this change if the Project Site is in whole or in part on Crown Land?	parties directly engaged in preparing or submitting a Proposal. Members of Municipal councils, where they are not a Proponent and not directly engaged in developing or submitting a Proposal, are not subject to these restrictions. However, Proponents must ensure that their own communications with Municipal councils comply with the rules set out in Section 3.5. 3. Prescribed Form: Confirmation of Unincorporated Territory is required for a Project Site located in whole or in part on Unincorporated Territory, where 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. Proposals with Project Sites located in whole or in part on provincial Crown land must meet the requirements for Crown Land Projects.
29) Clarification on PF Workbook Where a proponent is applying for a project that is entirely on Crown Land, but does not qualify as an Unincorporated Territory, we assume that questions in Item 34 and 43 on the General Proposal Information tab, in the proponent Workbook would be answered as "No" and the IESO is not looking for any additional information. Eligibility Requirements 2.1 (a) (ii)The Team Member Experience tab in the Proposal workbook is asking for Team Member Experience as part of the proponent, however, each of the Proponents are submitted as special purpose vehicles and Team Member Experience is held in an affiliate. Can the IESO confirm that Team Member Experience can be that of an	Crown Land Projects (Items 34 & 43): Yes, where a project is located wholly on Crown land and (therefore) does not qualify as Unincorporated Territory, the Proponent should answer "No" to Items 34 and 43. No additional information is required in this case. Team Member Experience (Eligibility 2.1(a)(ii)): Team Member Experience may be satisfied through an Affiliate or Control Group Member of the Proponent, not solely within the Proponent entity itself. The intent is to ensure the Proponent has access to a project team that, collectively, has sufficient relevant experience. IESO Zone Clarification: The appropriate IESO Zone to indicate in the Proposal is the Zone of the Transformer Station

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affiliate or Control Group Member of the Proponent vs. held within the Proponent itself? IESO Zone clarification Where a distribution connected project is connected to a feeder that is physically located in one IESO zone, but the Transformer Station to which that feeder connects is physically located and electrically designated as part of a different IESO Zone, which IESO Zone should the Proponent indicate in their submission? For example, we have a project that will connect to feeders located in the Bruce zone according to the maps provided by IESO, but the Transformer Station to which they connect are located in the South West Zone. Which IESO zone should we indicate as part of our submission? Prescribed Form: Proposal Workbook Proposal Workbook, Project Information tab, Item 72. Where the Project Site is located on a property that does not have a municipal address can we substitute the legal description of Property Identification Number? Prescribed Form: Proposal Workbook Proposal Workbook, Project Information tab, Item 82 and 83. Where the Project Site has multiple PINs that are not contiguous can the IESO confirm that the GPS coordinates provided can be for either PIN that makes up the Project Site? Prescribed Form: Proposal Workbook Proposal Workbook, Connection Information. Where common corridor circuits or Common Corridor Feeders are selected, can one of the Alternative Allocations or PQ Alternatives be 100% the project capacity to be allocated to one of the two Common Corridor Feeders? If yes, can the IESO confirm that we would not need to complete the connection details for the feeder or circuit to which we would not be proposing any capacity?	to which the feeder connects and is electrically designated. In the example provided, the correct Zone to indicate would be the South West Zone. Municipal Address Substitution (Item 72): Yes, where no municipal address exists, a legal description or Property Identification Number (PIN) may be provided in substitution. Multiple Non-Contiguous PINs (Items 82 & 83): Yes, where the Project Site consists of multiple non-contiguous PINs, the GPS coordinates may be provided for any one of the PINs that form part of the Project Site; the IESO suggests using the most centrally located Property within the Project Site in these circumstances. Common Corridor Circuits/Feeders (Connection Information): Yes, proponents may allocate 100% of the project capacity to only one of the identified feeders or circuits as an Alternative Allocation or in connection with a PQ Alternative. In such a case, connection details are only required for the feeder/circuit to which the proposed capacity is being proposed. .

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30) I hope you are doing well. I had a few questions on the LT2 RFP that I am hoping you can answer: * For projects not located on Indigenous Lands, is Indigenous engagement required at the proposal submission stage? If so, what specific evidence must be provided to the IESO? I have reviewed the First Nation Engagement document and understand that the Duty to Consult may be triggered, but based on the timelines provided, that consultation process appears to begin post–Contract Award rather than at the proposal stage. Could you please clarify this point? * For projects located in unincorporated territories, what are the requirements for community and/or Indigenous engagement, and what documentation must be submitted to the IESO to demonstrate compliance? * With respect to specialty crop areas, what documentation is sufficient to confirm that a project is not located within one? For example, would confirmation that the land is outside of CLI Classes 1–3, together with verification against the Municipality's Official Plan, be considered adequate? * If a parcel contains mixed land classifications (e.g., partially Class 3 and partially Class 7), but the project footprint is entirely within the Class 7 portion, is an Agricultural Impact Assessment (AIA) still required?	Indigenous Engagement (Projects not on Indigenous Lands): At the Proposal submission stage, evidence of Indigenous Support is only required for Proposals with a Project Site located in whole or in part on Indigenous Lands. Projects in Unincorporated Territories: Proposals with Project Sites located wholly on Unincorporated Territory do not have community engagement requirements prescribed by the LT2 RFPs. Where applicable, Proponents are required to submit the Prescribed Form: Confirmation of Unincorporated Territory as part of their Proposal. Documentation for Specialty Crop Areas: The IESO will rely on the Municipal Support Confirmation to confirm whether the Municipal Project Lands are designated as Speciality Crop Areas as well as whether the Municipal Project Lands are designed as Prime Agricultural Area. For further questions related to the Agricultural Impact Assessment, please contact the Ontario Ministry of Agriculture, Food, and Agribusiness at ag.info.omafa@ontario.ca
31) I have a few questions regarding the LT2 storage program: 1. If our BESS project has a capacity of 10 MWh, with an output power of 2.75	1. A connection under 35 kV is likely possible through a distribution system connection. Please discuss with the applicable LDC. Please note that the minimum Duration Capability required under the LT2(c-1) RFP and Contract is

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MW or 5 MW, would it be possible to interconnect through a medium-voltage line (under 35 kV)? 2. I noticed on Hydro One's website that projects with an output of 5 MW or below are typically connected at the distribution level (medium voltage). Could you please confirm if this would apply in the LT2 program? 3. If small projects are also required to connect to the high-voltage system (115 kV), the first option mentioned in yesterday's meeting — the T-tap connection type — was estimated at around CAD 10 million. Could you please clarify if this cost includes the construction of a substation, or if it only refers to building the connection line? 4. According to the RFP, it seems that the evaluation emphasizes land type, governmental land use support documents, and project size. Could you please confirm whether we are also expected to provide a detailed engineering design for the project, and whether a full set of EPC documentation is required at the submission stage?	8hrs, which the cited example would not meet. 2. Yes, projects equal to or greater than 1 MW are permitted to connect to Distribution Systems under the LT2 RFPs. You would need to discuss interconnection details with the applicable LDC. 3. The cost reference applies to the cost to interconnect to the transmission system and does not include the connection line or any other facilities on the project side of the interconnection. 4. For the purposes of deliverability, only the LT2 workbook is required for submission. All other design documents will be required during the Connection Assessment and Approval stage.
32) The Connection Cost Reference identifies a T-tap as the default assumption for new interconnections. However, Hydro One's published standards indicate that a 3-breaker ring or 6-breaker ring bus is required unless the study process determines a T-tap is sufficient. Has Hydro One explicitly agreed to the criteria in the Connection Cost Reference, and is this alignment documented?	1. The IESO Generalized Tx Connection Cost Reference document is solely for the purposes of managing financial risks and does not replace or override the formal connection assessment and approval process by the IESO or an applicable Transmitter, which may result in different connection arrangement solutions, either more complex or less complex, and/or more or less expensive than presented in such document.

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Have other transmission owners agreed to the customer connection reference guidance? Can a proponent elect to pursue interconnection to only one circuit of a double-circuit line? * If the study determines that both circuits must be tapped or sectionalized, will the project still be eligible for the cost recovery mechanism under the Connection Cost Reference? * Or, in such cases, would the outcome simply be a determination of "undeliverable"?	2. Yes, a Proponent may elect to pursue interconnection to only one circuit of a double-circuit line, subject to technical limitations presented in the Preliminary Connection Guidance documents and in ORTAC. 3. If the project submission indicates that the project intends to connect to one circuit, the deliverability studies will be conducted only with the project connecting to that circuit. In the unlikely situation that, after the contract was awarded, a connection assessment indicates that the project cannot connect to that circuit but instead requires connection to multiple circuits, for example, the IESO may allow the project to connect in a different manner than contracted and assessed in the deliverability stage. If the connection cost exceeds 130% of the applicable connection cost reference identified in the IESO Generalized Tx Connection Cost Reference document, the project would be eligible for the Tx Connection Cost Exceedance mechanism. See Question #26.
33) Some additional questions below: 1. Maximum contract capacity in MW and MWh are the nameplate ratings or ratings@ POI? 2. What is the definition of Average Capacity? 3. What is the definition of Fixed Capacity	1. For purposes of the LT2(c-1) and LT2(e-1) RFPs, the Maximum Contract Capacity is defined with reference to Nameplate Capacity, not POI ratings. 2. The term "Average Capacity" is not defined in the LT2(c-1) or LT2(e-1) Contracts or RFP documents. If the term was encountered in external reference materials or third-party sources, Proponents should seek clarification on the intended context. For evaluation and contractual purposes under the LT2 procurements, only Contract Capacity,

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	Nameplate Capacity, and Monthly Imputed Production Factors (for the LT2(e-1) Contract) are relevant. 3. The term "Fixed Capacity" also does not appear as a defined contractual term in the LT2(c-1) or LT2(e-1) Contracts. In the context of LT2(c-1) RFP and Contract, Proponents receive a Fixed Capacity Payment linked to the Contract Capacity committed under the Contract. In the LT2(e-1) RFP and Contract, proponents are compensated based on the Fixed Price ($/MWh) multiplied by the Contract Capacity and the Proponent's Imputed Production Factor. If "Fixed Capacity" was referenced in other materials, Proponents should interpret it as referring to the Contract Capacity that is firm and committed to the Buyer under the LT2 Contract.
34) Could you please clarify the following statement found in Exhibit D of the Prescribed Form: Access Rights Declaration (Energy): > "The Project Site information contained in the Crown Land Shapefile(s) > provided with the Proposal is consistent in all material respects with the > Project Site information included in the Proponent's Crown Land Site Report > Form referenced in the MNR Confirmation Letter." Specifically, we would like to confirm the intended meaning of "consistent in all material respects." Does this mean that the shapefile submitted as part of the Crown Land Site Report (CLSR) must also include the PQ alternate areas, in addition to the Primary Proposal PQ? For context, the CLSR form indicates a requirement is the inclusion of a map/shapefile showing the "full extent	The Project Site for the Primary Proposal PQ must be consistent in all material respects with the Crown Land Site Report (CLSR) form submitted to the Ministry of Natural Resources (MNR). The Project Site for PQ Alternates must be within the footprint of the Project Site for the Primary Proposal PQ. Therefore, MNRs completeness check of the CLSR form and issuance of the MNR Confirmation Letter would extend to include the Proposal PQ Alternates. It is not necessary to include the Project Site boundaries of the Proposal PQ Alternates in the shapefile submitted to MNR.

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of the proposed project site." Our current interpretation is that this refers to the Primary Proposal PQ only, as shown in Appendix 4 of the LT2 RFP Crown Land Shapefile Guidelines document, since this is the "full extent" of the proposed project site. Could you please confirm whether this understanding is correct, or whether "consistent in all material respects" requires that the PQ alternates also be included in the shapefile submitted to the MNR as part of the CLSR?	
35) 1. In the previous Q&A response, the IESO suggested that a failure deliver the LT2 Contract due to permitting issues may result in disqualification and the IESO to draw on the proposal security. The LT2e contract's definition of force majeure however includes "any inability, despite the use of Commercially Reasonable Efforts, to obtain, or to secure the renewal or amendment of, any permit, certificate, impact assessment, licence or approval of any Governmental Authority". Given that in many cases municipal re-zoning or zoning amendments will be required to construct a project, which will be subject to additional public and stakeholder inputs, if such rezoning or zoning amendments are not granted by the municipality, would this typically fall under the definition of force majeure as set out in the LT2e contract? 2. The IESO has stated that definition of Capacity for Solar PV is the lower of the DC equipment or AC inverter ratings- can the IESO confirm that this definition would not take into account transformer or interconnection losses? 3. With regards to the IESO LT2e Contract: a. Can the IESO elaborate on how the FDAQh and FRTQh values are derived in the DARTA calculation- ie. Is the day-ahead quantity derived from the IPF we submit, or	1. Under the LT2(e-1) Contract, Force Majeure includes "any inability, despite the use of Commercially Reasonable Efforts, to obtain, or to secure the renewal or amendment of, any permit, certificate, impact assessment, licence or approval of any Governmental Authority." Whether a specific permitting outcome, such as municipal rezoning or zoning amendments, constitutes Force Majeure will depend on the project-specific facts and circumstances, including whether the Proponent can demonstrate that Commercially Reasonable Efforts were made to avoid or mitigate the impact, whether the circumstance prevents contractual performance by the Supplier and whether the circumstances were reasonably foreseeable as at the Contract Date. While zoning approvals are subject to public and stakeholder processes, the IESO cannot provide a blanket assurance that failure to obtain such approvals will automatically be treated as Force Majeure. This determination will ultimately be made based on the particular case and in accordance with the terms of the Contract.

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the IESO's forecasts? Does the FRTQh value determined by the IESO centralized forecast take into account the actual monitored hourly conditions of the project during the specific period? b. What happens if IPF is not realistic due to weather conditions? Is the IESO Centralized Forecast system robust and dynamic enough to capture such changes impacting the forecasted volumes (over a short period of time – say few hours or a couple days)? c. We note there seems to be a typo in s. 3.1 of the contract (the word "Facility's" is in the wrong place). We understand projects are required to offer their Contract Capacity into the DAM. How should the must-offer obligation under first sentence of s. 3.1 be interpreted in situations where production is less than IPF due to resource/weather constraints?	2. As set out in the RFP and Contract, the definition of Capacity for Solar PV is the lower of the DC equipment rating or the AC inverter rating. This definition does not take into account transformer or interconnection losses, which occur downstream of the inverter. Accordingly, the determination of Capacity for Solar PV is limited to the ratings of the generating equipment and does not reflect subsequent system losses. 3. a. The FDAQh (Forecasted Day-Ahead Quantity) is based on the IESO's centralized forecast of expected production, not based on the Imputed Production Factor (IPF) submitted by the Supplier. The FRTQh (Forecasted Real-Time Quantity) is also derived from the IESO's centralized forecast system and is designed to reflect expected conditions for the Facility. b. The centralized forecasting system incorporates meteorological and system data and is intended to account for variations in resource conditions, including weather. While no forecasting system can perfectly capture short-term fluctuations, the IESO's processes are designed to produce robust and accurate forecasts that reflect prevailing and expected conditions. c. With respect to section 3.1 of the LT2(c-1) Contract, the must-offer obligation requires the Supplier to offer its full Contract Capacity into the Day-Ahead Market, measured in aggregate over the month. There is no imputed production under the LT2(c-1) Contract and there is no "must-offer" obligation under the LT2(e-1) Contract. The LT2(e-1) Contract is an imputed production-based financially-settled contract that imputes average market revenues based

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	on the Proposal-specific Monthly Imputed Production Factors.
36) Question 1: LT2(c-1) Contract In Section 2.4(b) of the LT2 Capacity Contract, we note the time is of the essence clause for Project Status Reports. While we consider reporting to be important, we do not think that a missed report should amount to a terminable event. Could IESO please consider updating the contract to make clear that a failure to deliver a Project Status Report is not a terminable event, especially in light of the specific liquidated damages already provided for such a failure? Question 2: LT2(c-1) RFP In reference to an example of a land that a proposed LT2 project is on is zoned Agricultural (A) by municipal zoning by-law and it is designated as a commercial development in the municipal official plan. How will the LT2 RFP Stage3 - Rated Criteria points determination be made with respect to the 4.3 (d) Project Site Not Located in Prime Agricultural Area? What evidence is required to support this determination? Question 3: LT2(c-1) RFP Please, confirm if battery energy storage facilities qualify for Early COD payment multiplier, and if not what is the rationale for excluding battery energy storage facilities from other facility types in the technology agnostic LT2 procurement.	Question 1: The IESO confirms that under the LT2(c-1) Contract, failure to submit a Project Status Report is not in itself an enumerated Supplier Event of Default under Section 10.1 of the LT2(c-1) Contract. While Section 2.4(b) emphasizes that "time is of the essence" for these submissions, the contract separately provides for Liquidated Damages for failure to comply with reporting obligations. Termination rights for events that are not otherwise enumerated as Supplier Events of Default are only triggered if they remain uncured after the prescribed period for correction after the Buyer provides the Supplier with notice of the breach pursuant to Section 10.1 of the LT2(c-1) Contract. Question 2: For purposes of Rated Criteria points, the IESO will assess whether a Project Site is located within a Prime Agricultural Area based on the Local Municipality's official plan in effect at the time of Proposal submission and as reflected in the Municipal Support Confirmation. If the official plan designates the land for commercial development, and not as part of a Prime Agricultural Area, the project would be considered as not located in a Prime Agricultural Area and should be reflected as such in the Municipal Support Confirmation. In the Municipal Support Confirmation, the Local Municipality must confirm whether or not the Project Site is (in whole or in part) in a Prime Agricultural Area. This is the only evidence the IESO will assess. Please see the "Guidance for Municipalities" section of the Prescribed Form: Evidence of Municipal Support (Energy or Capacity) for further details. Question 3: Battery energy storage facilities do not qualify for the Early COD payment multiplier under the LT2(c-1) Contract. The Early COD incentive is designed to address an emerging

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Question 4: LT2(c-1) RFP Is the Evidence of Municipal Support required for "Connection Line" if it is located on municipal project lands other than the location of the Project Site?	energy need and is therefore limited to energy-producing resources. By contrast, storage facilities are capacity resources and a net consumer of energy (charging from the system), so they are not eligible for the energy-focused Early COD payment. Question 4: No, evidence of Municipal Support Confirmation is not required for the lands related to the Connection Line. Evidence of Municipal Support Confirmation is a requirement for Proposals with a Project Site located in whole or in part on Municipal Project Lands, where Project Site means all Properties on which the proposed Long-Term Energy Project is to be located, excluding any Connection Line. However, Proponents are encouraged to engage with Municipalities and Indigenous Communities that may be impacted by their proposed project.
37) Question regarding Access Rights and land control. It is understood that proponents must have sufficient land access rights for the Project at the time of submission. There are often reasons through the development cycle to tweak project design based on various reasons which could include: municipal feedback, indigenous concerns, public input, etc. In the E-LT1 RFP, similar concerns were addressed in the Addendum 3, which allowed Project sites to shift without a Facility Amendment. Can the IESO confirm that Proponents in LT2 (e-1) could add additional private lands after bid submission (or even after award), to allow optimization of project infrastructure during the design and permitting phases and in response to stakeholder feedback?	For land control, the LT2(e-1) RFP requires Proponents to demonstrate access rights to the Project Site at the time of Proposal submission. Just as in the E-LT1, the LT2(e-1) RFP does not permit Proponents to add or shift project lands post-submission without a consent from the Buyer, which may not be unreasonably withheld. 1) Regarding Addendum No. 1, the Connection Cost Exceedance mechanism is based on the written cost estimate (for purposes of a connection and cost recovery agreement or similar binding agreement for the cost recovery of electrical interconnection to the Connection Point) provided by the applicable Transmitter within 18 months of the Contract Date. The figure that is to be compared to the IESO's Connection Cost Reference is the estimate itself, not the upper or lower bounds of the ±30% tolerance associated with a Class 3 estimate. For example, if the written estimate is $12.9M, that is the amount

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Questions on the Addendum No. 1 Addendum No. 1 to the IESO LT2(e-1) RFP specifies that the basis for a Cost Recovery Claim is a written estimate provided by the applicable Transmitter, provide within the 180-day limit, but well before actual costs are incurred. 1) Based on the HONI Regulatory Filing EB-2021-0110 Exhibit B-2-1 Section 2.0 written estimate are likely to be of Class 3 accuracy (+30% / -20%). Will the same parameters apply to the IESO Connection Cost Recovery numbers. Will the upper limit (+30%) be compared to the IESO's Connection Cost Reference? For instance, if the cost estimate for a single circuit connection to a circuit not marked as "to avoid" is $12.9M with a tolerance of +30% / -20%, can the Supplier submit an Exceedance Notice based on the upper limit of $12.9M + 30% = $16.77M, which exceeds the $13M threshold in the Connection Cost Reference? 2) If the cost estimate from the Transmitter falls within the limits of the IESO's Connection Cost Reference (+30%) and, as a result, the Supplier does not submit an Exceedance Notice, what happens if the actual implementation costs later exceed the limits of the Connection Cost Reference?	tested against the $13M reference cost, not the potential $16.77M value. 2) If the estimate provided is below the threshold and no Tx Connection Cost Exceedance Notice is submitted, but actual implementation costs later exceed the IESO's published connection cost reference by more than 30%, the LT2(e-1) Contract does not provide an opportunity to retroactively trigger any remedy. In such cases, the Supplier remains responsible for those costs and for continued performance of its contractual requirements.
38) 1. Are participants allowed to propose changes (redlines) to the LT2(c-1) contract at any time during the process, from now until contract negotiation and execution?	1. No. The LT2(c-1) Contract has been developed and finalized by the IESO and is not open to redline negotiation. All Proponents are expected to accept the

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2. PQ Alternates – Please clarify if separate Proposals are required for projects using different turbine technologies but with the same location, configuration, and interconnection, or if a single Proposal with a Primary and Alternate PQ is acceptable. 3. Proposal Security – Is proposal security required to be posted in the form of a Letter of Credit for all participants, or is a Parental Guarantee acceptable? 4. Proponent Name – Can the proponent's name be the current sponsor of the proposed project, with the intention of assigning the project rights from the current sponsor to a special purpose entity to be formed after a successful bid award, as is customary industry practice? 5. Alternate Proposals – If submitting alternate proposals, are two separate registration fees required? 6. Can the IESO provide further clarity on the Ambient Condition Criteria used to determine winter and summer capacity? Specifically, should proponents rely on the highest and lowest temperatures stated in the RFP, or will additional guidance be provided? (Context: gas-fired generation.) 7. Can the IESO confirm whether the 95% of nameplate capacity requirement is intended as a non-formulaic, fixed forced outage allowance? If so, is it correct to assume that proponents should plan to offer only 95% of their energy and capacity into the market during the contract term?	Contract as issued, including any amendments made through official Addenda to the RFP. 2. Where the only difference between options is turbine technology, Proponents may submit a single Proposal identifying a Primary Proposal PQ and one or two Proposal PQ Alternate(s). 3. The LT2(c-1) RFP requires Proposal Security to be posted in the form of a Letter of Credit, issued by a financial institution meeting the requirements set out in the RFP. Parental Guarantees, cash or other alternatives are not an acceptable substitute. 4. Yes. The Proponent may be the current sponsor, with the understanding that, if awarded a Contract, the LT2 Contract may be assigned to a duly formed SPE that is an Affiliate of the named Supplier. The Proponent must ensure that all eligibility, submission, and contractual obligations are satisfied throughout this process. 5. Yes. Each Proposal requires a separate registration fee, as each will be evaluated independently. 6. The LT2(c-1) Contract does not define "Ambient Condition Criteria," nor does the RFP prescribe fixed ambient temperature values for capacity assessment. Instead, section 7.1(k) of the Contract defines "Normal Operating Conditions" as a range of temperatures for both the summer and winter periods. Proponents should rely on these defined operating ranges when assessing and representing capacity values.

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	7. No. The requirement that Maximum Contract Capacity cannot exceed 95% of Nameplate Capacity is not a forced outage allowance. Rather, it is a contractual limit designed to ensure reliability and account for minor variations in facility performance and capabilities. LT2(c-1) RFP Proponents are expected to plan to offer their full Contract Capacity into the market in accordance with their Must-Offer Obligation.
39) 1. What cost should a proponent assume for the trigger of the 130% increase in threshold per the Addendum guidance if the New Build Development is on a site that contains existing interconnection facilities? Can the IESO please include any additional line items or information to the Applicable Connection Cost Reference table for such scenarios? Specifically, can the IESO confirm which CCR category the project would fall under if the New Build facility is injecting capacity over existing generation tie lines that already have a POI as a tap on avoid circuits? 2. Can the IESO confirm that an expansion to an existing site that consists of new electricity generating equipment that will be separately metered constitutes a New Build and is eligible under the LT-2 RFP.	1. The Connection Cost Reference applies to new interconnections and would not be applicable for sites utilizing existing interconnections. 2. The LT2(c-1) and LT2(e-1) RFPs are open to New Build facilities as defined in the RFPs. An expansion to an existing site that involves installation of new electricity generating equipment that is separately metered and able to be registered in the IESO-administered markets would be considered a New Build facility for the purposes of the LT2 procurements.
40) Is there any limit for DC/AC ratio for PV solar facility?	The LT2(c-1) and LT2(e-1) RFPs, Contracts and Addenda do not specify a limit on the DC/AC ratio for PV solar facilities. Proponents are responsible for designing their facilities in compliance with Good Engineering and Operating Practices, including compliance with all applicable IESO Market Rules, codes, and standards, but there is no prescribed maximum DC/AC ratio under the LT2 procurement documents.
41) * We've reviewed the answers to Questions #16 and #32 in Batch 3, which confirm that	No. Based on the rule that Contract Capacity must equal the Facility's Nameplate Capacity,

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the Contract Capacity is equal to the Nameplate Capacity, where the Nameplate Capacity is defined as the installed rated capacity of a Facility, and that projects cannot be overbuilt. Can you please confirm if the Contract Capacity can reflect the derating of one or more turbines in a project? For example, if the maximum capacity available at a circuit is 250MW and the project is using 6.0MW turbines, can we install 42 turbines, with a 252MW total Nameplate Capacity, and derate one or more turbines so the total installed capacity is 250MW? * Can the IESO provide an example of the Transmission Connection Cost Exceedance calculation including the potential Buyer reimbursement back to the Supplier in the event there is a Tx Connections Cost Exceedance? * Can the IESO confirm who will design, build, own and operate the Reference Infrastructure including the T-Tap identified in the IESO Generalized Transmission Connection Cost Reference document? * Can a Crown Land Site Report be transferred to a different entity?	installing turbines whose installed (OEM-rated) aggregate exceeds the Contract Capacity, and then using controls to cap output, would constitute overbuild. Any approach that relies only on operational curtailment without changing the rated nameplate does not satisfy the Contract Capacity = Nameplate Capacity rule. Tx Connection Cost Exceedance Example: • A Project is connecting to a 230kV network circuit • IESO public connection cost reference identifies a T-tap at a reference cost of $10M for this connection. • Proponent receives a firm connection cost estimate from the transmitter which identifies that a switching station will be required at a cost of $50M. • IESO would agree that the 30% threshold had been exceeded as the firm estimate is more than $13M. • In this example, the IESO elects to override the conditional off-ramp and the agreement remains in force. • Final connection costs are $45M. • IESO pays the proponent 75% of the difference between 130% of the reference connection cost($13M) and the final connection costs ($45M), totalling $24M. The IESO Generalized Tx Connection Cost Reference is a mechanism to operationalize Tx Connection Cost Exceedance protection. Actual design, construction, ownership, and operation of transmission assets on the Transmission System (including T-taps) are the responsibility of the Supplier and the applicable licensed Transmitter under applicable Laws and Regulations and connection and cost recovery agreement (or similar) executed with the Supplier.

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	The LT2 RFP materials do not address transferability of a Crown Land Site Report (CLSR) form between entities. Because the Ministry of Natural Resources (MNR) administers the CLSR form process and issues the MNR Confirmation Letter, any request to transfer a CLSR form should be directed to MNR at MNRFrenewableenergysupport@ontario.ca
42) 1. Can the IESO provide guidance on how costs associated with network upgrade facilities should be considered by Proponent submitting a proposal for a battery energy storage facility since they are generation as well as load connections? How should cost reimbursements for being a load connection be considered? 2. Can the IESO explain how "Capacity for IBR" and "Capacity for Sync Gen" in Appendix A of the Preliminary Connection Guidance and Evaluation Stage Deliverability Test Methodology for Long-Term 2(c-1) RFP, relate to "Nameplate Capacity" and "Maximum Contract Capacity" as defined in the LT2(c-1) Contract. To clarify, do the capacity numbers in Appendix A represent the maximum injection capacity for the circuit i.e., "Nameplate Capacity" as defined in the Contract? 3. Can the IESO provide guidance on how costs to power auxiliary load ("Station Service Loads") for transmission connected BESS will be treated for the purposes of market settlement? In particular, we want to understand the differences in how costs to power Station Service Loads will be treated during charging, discharging, or idle modes. If you can reference relevant Market Rules or other documents, it would be greatly appreciated.	1. For projects connecting to the Transmission System, all interconnection-related capital costs (including any network/connection facilities upgrades required by the Transmitter) should be based on the Transmitter's formal estimates and the applicable connection studies. The IESO does not publish or endorse project-specific cost assumptions. The LT2(c-1) Contract includes Exhibit S – Determination of Regulatory Charge Credit for an Electricity Storage Facility, which provides a Regulatory Charge Credit mechanism specific to storage. Proponents should treat any Regulatory Charge Credit as an operational credit in financial modeling, separate from capital connection costs and the CCR/Exceedance framework. 2. The 'Capacity for IBR' and 'Capacity for Sync Gen' refers to the incremental generation that could connect into each circuit as determined for the purpose of Preliminary Connection Guidance. When the final stage deliverability test is performed, each project's Maximum Contract Capacity (MW) value, defined as: the higher of the Winter Contract Capacity and the Summer Contract Capacity, will be used as this is the highest output that is contracted for.

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	3. Questions regarding the treatment of Station Service Loads for the purposes of market settlement are outside the scope of the LT2 Q&C process, which is limited to clarifications of the LT2(c-1) and LT2(e-1) RFPs and Contracts. Proponents are advised that market settlement of station service and auxiliary load for storage facilities is governed by the IESO Market Rules, including the definitions of "Station Service" and applicable settlement provisions in Chapter 9. Proponents should consult the Market Rules directly, as well as applicable IESO guidance on storage participation, for information on how auxiliary load is treated in charging, discharging, and idle modes.
43) Should the BESS Capacity payment be based on 200 cycles per year with an annual adjustment for more or less cycles to reflect impact on degradation on following year capacity?	The LT2(c-1) Contract does not prescribe a number of cycles per year (e.g., 200 cycles) for purposes of determining Capacity Payments, nor does it provide for an annual adjustment to reflect degradation based on actual cycling. However, Section 4.3 of the Contract provides Suppliers with the ability to permanently reduce the Contract Capacity on up to three occasions during the Term, which allows proponents to account for degradation over time. Under the Contract, Capacity Payments are based on the Contract Capacity as set out in Exhibit B, subject to adjustment through mechanisms such as Capacity Check Tests and Availability Non-Performance Charges, not actual cycle count. Suppliers under the LT2(c-1) Contract are required to satisfy the Must-Offer Obligation, but otherwise are responsible for managing facility design and operations, including degradation considerations, within these contractual obligations.
44) 4. Could the IESO please direct us to the template for the "Tx Connection Cost Exceedance Notice"?	4. There is currently no required template for the Tx Connection Cost Exceedance Notice. The IESO may develop further

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5. Previously, the IESO mentioned providing guidance on the requesting pre-consultation meetings with the Transmitter(s). Is there any update on when this guidance will be publicly available?	guidance on these mechanics by means of an FAQ as administrative experience with their use evolves. 5. Please be aware that the preliminary connection guidance and methodology documents outline the responsibilities of both the transmitters and distributors. Based on this, the IESO believes the guidance provided should be sufficient. However, the IESO will review its existing guidance and consider whether any additions or modifications would be helpful for future procurements.
45) IESO Response: Please see the response to question #25. The intention of this mechanism is to reduce the impact of the uncertainty of Gas Transmission Upgrade Costs on pricing for Proposals utilizing natural gas. Follow-up Question: If the stated intention is to reduce the impact of Gas Transmission Upgrade Cost uncertainty, how does the IESO address the fact that excluding CER-regulated TCE costs leaves a significant portion of these uncertainties unresolved? Has the IESO considered that for proponents relying on TCE for Gas Transmission, the majority of transmission costs are tied to TCE infrastructure, not to Enbridge or other Ontario distribution companies, therefore making the current mechanism ineffective for these projects? Questions: If the IESO's mandate is to increase generation in Northern Ontario to meet growing demand, how does the IESO plan to address the disadvantage that projects in Northern Ontario will face due to the inability to recover transmission expansion costs,	The IESO acknowledges that the Gas Transmission Cost Exceedance mechanism applies only to Facilities connecting to Gas Distribution Systems (e.g., Enbridge) and does not extend to Facilities connecting directly to federally regulated Gas Transmission Systems, including TCE infrastructure. This approach reflects jurisdictional boundaries and the IESO's authority with respect to Ontario-regulated assets, as consistent with the Minister's letter of July 4, 2025 (posted to ieso.ca). The purpose of the mechanism, as noted in response to Question #25, is to reduce the impact of gas transmission network expansion cost uncertainty that is allocated by a Gas Distributor to a Supplier through an OEB-regulated Gas Distributor. Projects connecting to federally regulated pipelines remain outside the scope of the mechanism. With respect to regional impacts, including Northern Ontario, the IESO emphasizes that all Proponents must develop Proposals based on site-specific costs and risks. The LT2 procurement framework does not provide region-specific adjustments to transmission or fuel costs. Regarding projects announcements by provincially owned entities, the IESO does not comment on specific Proponents or projects outside the procurement process. All Proposals

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compared to projects in Southwestern Ontario? Is the IESO aware of the 500MW gas-fired project announced by the provincially-owned company in Southwestern Ontario for the LT2c RFP, and how this project will benefit from the 75% gas transmission cost recovery provision? How does the IESO address the FACT that allowing a 75% cost pass-through provides certain gas-fired proponents in Southwestern Ontario with a competitive advantage over proponents in other regions of the province? Enbridge has provided a Class 5 estimate of approximately $200 million for gas transmission upgrades, a high-level estimate with a potential variance of ± 100%. By allowing 75% cost recovery, Ontario taxpayers could bear a significant portion of these costs while certain proponents pass them through. What steps has the IESO taken to mitigate taxpayer exposure, and why is there no cap on the allowable gas transmission cost pass-through?	are evaluated on a consistent basis under the published RFP and Contract terms. The mechanism, as designed, is intended to strike a balance between providing Proponents with cost certainty and protecting ratepayers from open-ended financial exposure.
46) Questions: Please confirm: The Must-Offer Obligation applies only during Qualifying Hours, 16 hours a day 5 days a week, and not 24/7. Outside of the defined Qualifying Hours, proponents have no contractual obligation to offer capacity into the Day-Ahead Market. “Business Days” excludes weekends and statutory holidays unless Qualifying Hours are revised. Will the IESO require proponents to offer capacity outside Qualifying Hours under any circumstances? Is submitting an offer in the Day-Ahead Market during Qualifying Hours sufficient to	The Must-Offer Obligation under the LT2(c-1) Contract applies only during Qualifying Hours, which are defined in the Contract as 07:00 Eastern Standard Time to 23:00 Eastern Standard Time, Monday through Friday (excluding weekends and statutory holidays), unless revised by the IESO with notice pursuant to the LT2(c-1) Contract. Outside of Qualifying Hours, Suppliers have no contractual obligation to submit offers into the IESO-Administered Markets. The Contract does not provide for the Buyer to require offers outside of Qualifying Hours. Any change to the Must-Offer requirement would need to be implemented through a formal amendment to the Contract.

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meet the obligation, or must the facility also be available in real-time?	To meet the contractual obligation, a Supplier must offer the Facility's Contract Capacity into the Day-Ahead Market for each Qualifying Hour. In addition, the Facility must be available to deliver in real time consistent with its Market Participant obligations under the IESO Market Rules.
47) Request for Clarification We respectfully request clarification on whether land opportunities that were originally categorized as agricultural but have been formally rezoned to industrial will be considered eligible for participation in the LT2 RFP or subsequent procurement rounds. Understanding the current LT2 RFP restrictions on ground-mounted solar projects in Prime Agricultural Areas as outlined in the Provincial Planning Statement 2024, we believe that land successfully rezoned to industrial use would fall outside these agricultural land restrictions. However, we seek your official guidance on this interpretation	As set out in the LT2(e-1) RFP, ground-mounted solar projects are not eligible if located in Prime Agricultural Areas as designated through the Local Municipality's or Northern planning board's Official Plan and as defined by the Provincial Planning Statement 2024. Where lands have been formally rezoned and redesignated to industrial use by the applicable planning authority, such lands would no longer fall within the definition of Prime Agricultural Areas for the purposes of the RFP. In that case, the associated restriction on ground-mounted solar facilities in Prime Agricultural Areas would no longer apply. Proponents are responsible for ensuring that their proposed project will comply with all applicable municipal, provincial, and regulatory land-use requirements. The IESO will rely on the Municipal Support Confirmation to confirm whether the Municipal Project Lands are designed as Prime Agricultural Area at time of Proposal submission.
48) Following a detailed review of the LT2(c-1) Contract in the context of the IESO Market Rules, the Seller respectfully submits the following comments for consideration: 1. Removal of Unused Definitions – "State-of-Charge" and "State-of-Charge Limited" Request: Delete the defined terms "State-of-Charge" and "State-of-Charge Limited" from Article 1 of the LT2(c-1) Contract. Rationale: These terms are not referenced anywhere in the operative provisions of the contract. Retaining unused definitions could create ambiguity or risk of unintended application	1. These two definitions remain used, by virtue of the use of the term "State-of-Charge-Limited" in the definition of "Outage" as well as in the requirement for State-of-Charge meter information pursuant Section 5.1 of the LT2(c-1) Contract. 2. The IESO notes that Market Participant obligations, including compliance with the Maximum Daily Energy Limit (MaxDEL), are already established under the IESO Market Rules and apply independently of the LT2(c-1) Contract.

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in the future. The Market Rules already govern daily energy capability through the Maximum Daily Energy Limit (MaxDEL), making separate State-of-Charge terminology unnecessary. Removing these unused definitions would simplify the contract, reduce interpretive risk, and ensure clarity of obligations. 2. Incorporation of Maximum Daily Energy Limit (MaxDEL) Request: Explicitly state in the LT2(c-1) Contract that the facility's Day-Ahead schedule will not exceed its Maximum Daily Energy Limit (MaxDEL), as defined in the IESO Market Rules. Bidder suggests amending the Section 3.1(a) to read as follows (proposed addition in bold): "In each Settlement Month, the Supplier must offer Electricity output, capped at the Facility's Maximum Daily Energy Limit as defined in the IESO Market Rules, from the Facility into the Day-Ahead Market from the Facility's 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 the Adjusted Monthly Contract Capacity (the 'Must-Offer Obligation')." Rationale: Including this provision in the contract will ensure the facility is never scheduled for more daily energy the daily output achievable from a full cycle at its Maximum Contract Capacity, thereby aligning contractual obligations with the Market Rules. This clarification reduces operational and performance risk, avoids potential conflicts between contractual and market requirements, and provides certainty to both parties regarding the facility's maximum daily scheduling limit. The Seller appreciates the IESO's efforts in refining the LT2(c-1) Contract and believes these adjustments will strengthen contract–	The Contract does not duplicate Market Rule provisions, and contractual performance obligations are assessed on the basis of Contract Capacity and the Must-Offer Obligation as defined in Section 3.1(a). The IESO considers the current drafting of Section 3.1(a) to be clear and consistent with the Market Rules. As such, no amendment is being made to incorporate MaxDEL directly into the LT2(c-1) Contract.

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market alignment and support successful delivery of contracted capacity	
49) Project Information #54: The term Additional Generation is capitalized but we could not locate a definition. The example provided looks to apply only to natural gas-fired generation. Are there details with respect to Additional Generation technology that the IESO is expecting with respect to solar photovoltaic technology? Additionally or alternatively, could you point us to the definition of Additional Generation technology if it is a defined term in the RFP? Project Information #72: Are alternative methods of providing the municipal address available to proponents if the Project Site does not have a street number or street name? If so, can the IESO describe the information that will be considered compliant with respect to the request? Project Information #75: Can the IESO confirm that only one postal code is required here, provided it is closest municipal postal code, and that this is true even if the Project Site is not on Municipal Lands or is located across multiple postal codes? Project Information #82 & 83: The IESO has said that the latitude and longitudinal GPS coordinates should be provided. Can these coordinates be for any area within the Project Site? Also, where the Project Site is not on contiguous lands, what GPS coordinates should be used? Project Information #90: The LT2 RFP defines Project Site as the following: Project Site means all Properties on which the proposed Long-Term Energy Project is to be located, excluding any Connection Line. Item 90 requests the following:	1. Additional generation is not a defined term under the LT2 RFPs. The additional generation technology details item in the Proposal Workbook is for any additional information, including system configuration information, that may be relevant to the project's generation technology. 2. Where a municipal address is not available, other applicable information related to the location of the Project Site (e.g. legal description of Project Site) would be acceptable. 3. Only one Postal Code for the municipal address of the Project Site is required. The closest municipal Postal Code to the Project Site should be provided. 4. The IESO is requesting that only a single set of GPS coordinates be provided for the Project Site. Where a Project Site is not on contiguous lands, the GPS coordinates of the most central part of the Project Site, where part of the Long-Term Energy Project or Long-Term Capacity Services Project's proposed facility will be located, should be provided. 5. The intention of this item is to provide a narrative description of the electrical interconnection, including the location of applicable interconnection equipment from the Project Site to the Connection Point and any major work required to connect the Facility. 6. The information in items 94-96 in the LT2(e-1)PF-PW100(v2) is for the

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Electrical Interconnection (confirm type of connection, relative location of the connection on the project site and any work required to connect the Facility). Can the IESO please (i) provide more detail regarding what is meant by relative location of the connection on the "project site" given that Connection Line (as defined in the RFP) is excluded from the definition of Project Site, and (ii) provide more guidance with respect to the level of detail being requested by "any work required to connect the Facility". For example, is the IESO looking for information with respect to easements on the Connection Line? Connection Information #94-96: If the Proponent provides inverter specs, will those specs become binding on the Proponent? If no specs are provided, will the Proponent be bound to the assumptions in the Deliverability Test Methodology document? Connection Information #112: What is the difference between "nameplate rating" for the "Project output type" and Nameplate Capacity, which is a defined term in the LT2(e-1) Contract? What is meant by "nameplate rating"?	purposes of conducting the Stage 5 Deliverability Assessment. If these fields are left blank, Proponents shall not necessarily be bound to the assumptions in the Deliverability Test Methodology document but such assumptions may be applied in the circumstances. Any information provided will be considered in place of what was assumed for the provision of preliminary connection guidance (which is itself non-binding) when performing the final stage deliverability assessment. 7. The nameplate rating is in units of MVA as it applies to the IBRs or synchronous resources which make up the project and is used for short circuit studies conducted in final stage deliverability testing. The Nameplate Capacity is in units of MWs which will be used as the contracted amount to test for when performing congestion based deliverability studies.
50) While we support the intent to provide cost certainty and encourage investment in Ontario's renewable energy sector, we are concerned that the current mechanism applies only to transmission-connected projects. This leaves distributed-connected projects at a significant disadvantage as the connection costs are still exposed to substantial uncertainty. As developers, our early-stage feasibility work depends on clarity around interconnection costs. However, under the current CIA/PCIR (Form A) process, the	The Addenda to LT2(e-1) and LT2(c-1) RFPs and Contracts provide a mechanism to address transmission connection cost exceedances under specific circumstances. This provision was introduced to address unique conditions of uncertainty associated with transmission-connected projects in LT2 Window 1 and is not expected to apply in future procurement windows. For distribution-connected projects, interconnection costs are administered through the established CIA/PCIR process with local distribution companies. These costs are

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information provided by Hydro One and other LDCs is often too vague to enable meaningful decision-making. For example, responses regularly state that "line expansion is likely required" or that "transfer trip and conductor upgrades may be necessary," without providing even an indicative cost range. Outlined in Schedule A are excerpts from some of the of Form A's on sites that have passed for connection capacity. These illustrate the challenge from recent PCIR reports that demonstrate the vagueness of current responses (attached for reference). We were told that these line expansion costs could be anywhere from 0% to 50% of our total project capex. The only way to get an actual cost was to go through the CIA process after which HONI would be certain (1) if they were required at all and (2) to the extent upgrades are required. As such we have attempted to do this. As a result of the CIA process, we ran into the following issues. • Projects over 10MW need to go through an SIA, so it would cost an extra $35,000 and take 12 months. • Projects under 10MW have taken +90 days and pushed us past the bid submission date (so we have rescinded knowing we won't have the answer) • Other projects we have not been to submit as we've been waiting for other developers to rescind their project, so they are not taken into account when preforming our CIA. In addition to the CIA efforts above, consultants have less visibility into Hydro One's grid, so it has been nearly impossible to get an estimate of what a "line expansion" may look like. In contrast, transmission-connected projects now benefit from cost reimbursement and	considered standard and more predictable relative to transmission system upgrades. The same type of uncertainty addressed by the Tx Connection Cost Exceedance mechanism does not exist for distribution-connected projects.

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reduced financial risk, creating an uneven playing field and therefore we respectfully suggest that the IESO, expand the reimbursement framework to include distributed-connected projects. We believe that including distributed-connected projects under the same interconnection cost framework is essential for achieving Ontario's renewable energy and decarbonization goals. Doing so would unlock more viable projects, reduce developer attrition, and ultimately lower costs for ratepayers. In an ideal world, there would be a cap on any HONI required upstream upgrades similar to the caps put on for transmission protection.	
51) With the recent addendum, it is our understanding that transmission projects will be afforded either, an off-ramp or cost-sharing, if interconnection costs exceed a certain threshold. We respectfully request that distribution projects be afforded similar relief. In working with Hydro One's distribution team, we have confirmed capacity at each of our points of interconnection and understand the associated costs to connect to the grid. However, the largest risk factor—one that is nearly impossible to quantify—is the stipulation that upstream line expansions may also be required. These potential costs could range from negligible to over 25% of total project capex. Prior to the addendum, both transmission and distribution projects faced these similar uncertainties with Hydro One. However, because of this last-minute addendum, distribution projects will be placed at a significant disadvantage, as they must continue to carry substantial contingency to account for these unknown costs. We respectfully request that a similar approach be extended to distribution	Please see the response to Question #50.

Question/Comment	IESO Response
projects and the amount of required upstream upgrades also be capped or afforded the same relief. We would like to thank the IESO for the opportunity to provide feedback and we would be pleased to engage further with IESO staff on this important topic.	
52) Hi there, I am hoping you can provide clarification on a question related to the requirements for the Municipal Support Confirmations for LT2 (e-1): Evidence of Municipal Support. A motion passed by [redacted] Council delegates authority to issue Municipal Support Confirmations on certain projects to staff. If a Municipal Support Confirmation contains all required items in the Guidance for Municipalities section of the Evidence of Municipal Support form and is signed by the City Clerk, is it acceptable to satisfy IESOs requirements for this stage?	Please see the Prescribed Form: Evidence of Municipal Support and the definition of Municipal Support Confirmation in the LT2(e-1) RFP. In this scenario the IESO would require both the council resolution authorizing the City Clerk and the instrument signed by the authorized clerk to confirm whether the materials are substantially in accordance with the requirements of the form.