Feedback Form

Medium Term 3 Request for Proposals (RFP) – October 16, 2026

Feedback Provided by:

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Date: October 30, 2026

To promote transparency, feedback submitted will be posted on the Medium-Term RFP engagement page unless otherwise requested by the sender.

☐ **There is confidential information, do not post**

X **Comfortable to publish to the IESO web page**

Following the Medium-Term 3 RFP engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the items discussed. The presentation and recording can be accessed from the Medium-Term RFP engagement page.

Note: The IESO will accept additional materials where it may be required to support your rationale provided below. When sending additional materials please indicate if they are confidential.

Please submit feedback to engagement@ieso.ca **by October 30, 2026.**

Procurement Process and Timelines

Do you have any feedback on the procurement process and/or proposed timing for proposal submission?

Flexible Contract Terms

Do you have any feedback on the IESO's proposal to allow proponents to select a contract term between 3 to 10 years at the time of proposal submission?

Do you have any feedback on approaches on the mechanics for submitting proposals with flexible contract terms, or on the methodology for evaluating proposals with varying contract terms?

Enhancing Competition in Proposal Evaluation

Do you have any feedback on setting the MT3 procurement target as a percentage of the aggregate nameplate capacity of submitted proposals, as well as on potential mechanisms to limit the influence of any single proposal on procurement outcomes?

General Comments/Feedback

Do you have additional feedback to share with the IESO?

CanREA overarching position

CanREA strongly supports the IESO's intent to maintain broad design consistency with MT2. Proponents have planned around the MT2 framework, and it delivered strong value. With the 2026 APO forecasting shortfalls as early as 2031, recontracting existing resources remains among the lowest-cost and fastest ways to maintain resource adequacy.

For these reasons, design changes should be limited to those that expand participation, competition and flexibility. When compared with MT2, MT3 should not add any new obligations on existing facilities.

Regarding LT2 Window 2 proposed design changes, CanREA will comment in detail through the LT2 Window 2 engagement, but asks the IESO to consider whether LT2 Window 2 changes are appropriate for existing, recontracted assets.

The IESO has also signalled that it will address monthly production factors that do not reflect a realistic production profile. CanREA asks that any such measures recognize each facility's actual production history.

Municipal support

Consistent with MT2, MT3 should not include any MSR requirement, whether mandatory or as rated criteria. MT3 facilities are existing, operating assets with established community relationships and approvals. Any new requirement would add cost, risk and delay, reduce competition, and could strand productive assets.

The IESO's October 16 MT3 materials (Slide 12, Scenario 3) present the MT RFPs as the pathway for facilities currently unable to obtain municipal support for repowering. Any MSR requirement would close that pathway. CanREA asks the IESO to confirm this explicitly in the November draft RFPs.

Procurement targets and competition

Given the APO outlook and advantages of securing existing supply, CanREA recommends a target of at least 90% of submitted proposals.

Any mechanism to limit the influence of individual proposals based on nameplate capacity should be published in the draft RFPs. It should apply transparently and not unduly disadvantage larger facilities.

CanREA supports the IESO keeping the option to contract eligible resources above the target where proposal prices fall within a percentage threshold of the marginal proposal (Slide 26). The threshold should be published in the draft RFPs, and CanREA recommends the IESO consider widening it.

Flexible contract terms

CanREA strongly supports allowing proponents to bid terms of 3 to 10 years.

In its October 28, 2026 response to LT2 Window 2 feedback, the IESO indicated that MT procurements are better suited than repowering for owners who wish to continue operating existing facilities with lower capital investment for less than 20 years. For MT3 to fill that role, terms of up to 10 years are essential, as five years is often too short to amortize meaningful life-extension work.

CanREA also supports multiple price-term options per proposal. We recommend allowing at least three combinations, treated as mutually exclusive. The method for comparing terms, including any discount rate, should be published in the draft RFPs.

CanREA recommends no hard cap on awards longer than 5 years, and that the IESO not pre-set a mix of contract durations. If a limit is necessary, it should be generous, disclosed before proposals are due, and applied consistently across resource types and facility sizes.

With respect to Slide 24 in the IESO's October 16 MT3 webinar, CanREA recommends that access to terms longer than 5 years be determined through transparent, price-based evaluation rather than through any additional eligibility criteria, which would add complexity and could unnecessarily restrict participation.

CanREA asks that performance obligations in the draft MT3 contracts reflect the realities of longer terms for existing facilities, and will provide detailed comments on the drafts.

DARTA

Consistent with the IESO's stated intent to keep MT3 simple and consistent with MT2, CanREA recommends that MT3(e) retain the 85% DARTA protection used in MT2(e). Day-ahead to real-time differences are driven largely by forecasting and weather outside proponents' control, and reduced protection is likely to be priced into MT3 offers as a risk premium. CanREA requests that the IESO publish the analysis supporting its view that this risk is low.

Repowering and early termination

CanREA appreciates the IESO's statement during the October 16 webinar and asks the IESO to confirm in writing that MT3 contract holders may terminate without penalty upon award of a long-term repowering contract, regardless of MT3 term length and at any point in the term, including before the Term Commencement Date. This matters because MT3 contracts are expected to be awarded in the second half of 2027, before LT2 Window 2 contracts are awarded. As a result, proponents may need to commit to MT3 before the outcome of their LT2 Window 2 repowering proposals is known. Without this right, terms of up to 10 years could lock facilities out of repowering.

This right should be written into the MT3 RFP and contract. It should also extend to combining adjacent MT-contracted facilities into a single repowering project. CanREA further asks that the MT3 and LT2 Window 2 schedules be coordinated so that proponents bidding into both are not disadvantaged.

Qualification

CanREA asks that the updated Qualification Guidance allow proponents to adjust or exclude abnormal periods, such as curtailment or forced outages, when Qualified Energy and Capacity are determined.