

Feedback Received and IESO Response

Toronto Third Line

Following the August 20, 2026 Toronto Third Line webinar, the IESO invited participants to provide comments and feedback on the materials presented by September 10, 2026.

The IESO appreciates the significant level of participation and constructive feedback received through written submissions and engagement activities. Key themes raised by participants included project risk allocation, regulatory certainty, Indigenous participation, procurement flexibility, project development uncertainty and cost containment. This feedback has informed, and will continue to inform, development of the Toronto Third Line procurement framework. The presentation materials and participants' non-confidential feedback submissions have been posted on the [Toronto Third Line engagement web page](#). Please reference these materials for specific feedback as the information below provides excerpts and/or a summary only.

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Enabling Indigenous Engagement and Participation:

Feedback Received	IESO Response
Indigenous communities and stakeholders generally supported measures to provide accountability for Indigenous Engagement and Participation Plan (IEPP) commitments, including ongoing monitoring, reporting and verification of commitments following commercial	The IESO recognizes the feedback related to contractual parameters, including how commitments should be enforced, and the importance of protecting confidential information. The

operation. Participants noted that reporting requirements should be proportionate to the level of project activity and protect confidential, commercially sensitive and community-controlled information.

Feedback provided differing views on how IEPP commitments should be enforced. Suggestions included:

- treating commitments that receive Rated Criteria points as contractual obligations;
- establishing reporting, monitoring, audit and corrective-action requirements;
- providing remedies where commitments within the transmitter's control are not achieved;
- distinguishing between commitments within the transmitter's control and outcomes dependent on the decisions, preferences or participation of Indigenous communities or other parties; and
- establishing clear and consistent criteria and processes for determining whether Commercially Reasonable Efforts have been demonstrated before financial or contractual consequences are imposed.

Some participants noted that Indigenous participation arrangements may evolve throughout project development and suggested that the contractual framework provide sufficient flexibility to accommodate changing community priorities and project circumstances. Suggestions included allowing commitments that cannot reasonably be delivered as originally contemplated to be modified or substituted, in consultation with affected Indigenous communities, where comparable benefits can be maintained, including where affected Indigenous communities support amendments to an approved IEPP.

Feedback also suggested that:

- Indigenous engagement, consultation and economic participation remain distinct, and commercial participation not be treated as a substitute for Crown consultation with rights-holding communities;
- Capacity Funding provide sufficient support for communities to participate in project-related activities, with some feedback suggesting that Capacity Funding be treated separately from Non-Equity Commitments;
- Indigenous participation opportunities include equity ownership, procurement, employment,

IESO is reviewing the feedback received to date and continues to seek feedback while engaging with First Nations on the Ministry of Energy and Mines' engagement list to determine specific requirements. To facilitate these discussions and build awareness to enable community input, the IESO has developed and posted a [document](#) to describe the TTL procurement's proposed Indigenous design features. The IESO currently anticipates updating this document to provide further information in late 2026/early 2027 following engagement with Indigenous communities.

The IESO agrees that capacity funding is very important to enable meaningful participation.

The IESO acknowledges the concerns that a competitive process involving multiple proponents could create significant demands on First Nation leadership and staff through multiple meeting requests, competing engagement activities, and capacity pressures. The IESO has reflected this feedback within the proposed design of the IEPP, where proponents will be required to demonstrate an attempt to engage with potentially impacted communities and offer capacity funding to do so. It will be up to the First Nation to determine the extent of their engagement during the procurement process based on their interests, priorities, and available capacity.

Communities are not expected to engage extensively with every proponent. More detailed engagement is expected to occur after a transmitter is selected, reducing the need for communities to engage deeply with multiple competing proponents during the competitive phase.

The proposed design of the IEPP has been focused so that irrespective of which proponent is selected, First Nations on the Ministry Engagement List

training, governance, stewardship and longer-term capacity building; • Indigenous-related commitments and protections continue, where applicable, beyond the initial IESO contract term; and • the contract recognize circumstances where equity or non-equity arrangements cannot be finalized despite reasonable efforts by the successful proponent and participating Indigenous communities; and • detailed Indigenous commercial arrangements, governance information and community-specific information be shared only with the IESO and affected Indigenous communities, where appropriate, rather than being subject to automatic public disclosure. Indigenous communities and stakeholders also raised concerns regarding the resources required for rights-holding communities to engage with multiple prospective proponents. One suggestion was to use a staged procurement process involving a limited number of qualified teams during early project development. One participant recommended that proponents be required to provide affected rights-holding communities with an opportunity to acquire collectively at least 50% of the Economic Interest in the transmitter. Participants also shared feedback related to evaluation and mandatory requirements: • Indigenous participation experience be demonstrated primarily at the organizational level, supported where appropriate by the experience of proposed team members • demonstrated Indigenous participation outcomes on previous projects be considered in the evaluation of proponents	will be offered opportunities to economically participate in the project and will have the time needed to negotiate participation arrangements with a single selected proponent. The IESO recognizes the importance of Indigenous economic participation in major transmission projects and appreciates the perspective that Indigenous ownership opportunities can support long-term economic benefits for Indigenous communities. The IESO recognizes that Indigenous communities may have different priorities and preferences regarding participation, which could include equity ownership, revenue sharing, procurement opportunities, employment and training, capacity funding, governance participation, or other economic benefits. Proponents will be required to submit an Indigenous Engagement and Participation Plan (IEPP) that includes their proposed approach to Indigenous participation and the level of economic benefits. The IEPP is intended to establish minimum participation commitments, including a minimum equity offer amount and/or minimum non-equity economic benefit commitments, while maintaining flexibility for proponents and Indigenous communities to determine the most appropriate participation arrangements through discussions following contract execution. The IESO is proposing a minimum equity offer requirement, rather than a minimum equity ownership outcome, recognizing that the procurement stage is too early for binding equity agreements and that Indigenous communities should retain flexibility to negotiate participation arrangements that best meet their priorities and interests. The IESO is considering a combination of mandatory requirements and rated criteria that will establish a minimum standard while also incentivizing
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	proponents to offer higher levels of Indigenous participation and economic commitments. The IESO's objective is to provide flexibility for Indigenous communities and proponents to develop participation arrangements that reflect community priorities and project-specific circumstances. The IESO acknowledges stakeholder recommendations regarding minimum offer amounts for Indigenous ownership, including recommendations related to majority Indigenous ownership interests. The IESO continues to evaluate approaches that support meaningful Indigenous economic participation while maintaining flexibility for Indigenous communities to pursue participation arrangements that reflect their individual interests, priorities and capacity. Lastly, in-line with the directive, the RFP will require that the Proponent demonstrate experience working with Indigenous communities in Canada throughout the development of an infrastructure project within Treaty and traditional territories, including project-related engagement and rights-based consultation. The IESO has also proposed that rated criteria be awarded where the proponent can demonstrate experience delivering Indigenous economic participation and benefit arrangements with multiple Indigenous communities throughout the development of an infrastructure project. This would be evidenced through the submission of letters from Indigenous communities.
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Contract and Regulatory Framework:

Feedback Received	IESO Response
Participants generally indicated that the proposed interaction between the IESO contract and subsequent OEB rate regulation was understood at a high level.	The IESO recognizes the importance of providing proponents with sufficient clarity regarding the interaction between

However, feedback requested greater certainty regarding implementation of the framework before proposal submission, particularly to support consistent bid assumptions and project financing.

Feedback included requests for clarity regarding:

- how the Total Capital Cost established under the IESO contract would be reflected in the transmitter's opening rate base;
- the extent to which costs, methodologies and other determinations established through the procurement and contracting process would be subject to subsequent OEB review;
- how costs or adjustments not finalized before the initial revenue requirement application would be tracked and recovered;
- the timing and requirements associated with the initial revenue requirement application and pre-filing process;
- the intended incentive rate-setting methodology and treatment of cost of capital, capital structure, working capital, depreciation, construction-period carrying costs and first-year revenue requirement;
- the regulatory treatment of costs associated with Indigenous participation and related activities;
- the treatment of future capital expenditures not included in the initial Total Capital Cost; and
- how future changes to the applicable OEB regulatory framework would be accommodated over the development and operating life of the project.

Some participants suggested establishing a streamlined OEB process for costs and regulatory accounts already addressed through the IESO procurement process and providing sufficient certainty that determinations made through the procurement can be relied upon for future regulatory recovery.

Some feedback suggested establishing an OEB process shortly after transmitter selection to provide earlier certainty regarding the regulatory framework that would apply during the project development and construction, including capital structure and return methodology, construction-period financing, regulatory accounts, cost recovery and treatment of the Total Capital Cost established through the procurement.

the TTL procurement framework and the OEB regulatory framework. The IESO and OEB are continuing to collaborate on a seamless transition from the IESO contract framework to OEB rate regulation. The IESO recognizes that regulatory certainty is important to support proposal development, financing arrangements and bid comparability.

The IESO is reviewing this feedback and will share an update in the coming months. In the meantime, the OEB has announced [a webinar](#) in November to provide an overview of the OEB's regulatory framework for electricity transmitters and how it may apply to the selected TTL transmitter.

Lastly, the Contract will establish the Total Capital Cost, which will be submitted to the OEB for inclusion in UTRs in the year prior to COD. The Total Capital Cost will be considered an amount paid or to be paid to a transmitter under a procurement contract under s. 78(5.3) of the Ontario Energy Board Act, 1998, and is not subject to prudence review by the OEB. As a result, the Transmitter will be entitled to receive UTR payments for the entirety of this amount from COD, based on the existing process under the Market Rules for apportionment of UTR revenue collected by the IESO (for more details please see draft [Term Sheet](#), s. 1(iii)).

Feedback also suggested establishing mechanisms for recovery of prudently incurred development, construction and financing costs prior to Commercial Operation, noting that carrying significant costs until COD could affect financing requirements, proposal pricing and the timing of rate impacts. Suggested approaches included OEB-authorized construction-period recovery or an IESO-administered payment mechanism, with amounts subsequently reconciled against Total Capital Cost and opening rate base. Some feedback also suggested allowing proponents to propose project-specific capital structure and financing parameters and evaluating proposals using a present value revenue requirement approach that considers capital, financing and operating costs. One participant suggested an alternative approach under which the IESO contract would focus on development-stage costs, with construction costs established later in project development through the OEB's existing regulatory process. Participants also requested clarity regarding how potential changes to the Leave to Construct process would interact with other regulatory processes and authorities, including land acquisition and expropriation.	
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Contract and Cost Containment:

Feedback Received	IESO Response
Feedback also indicated that the allocation of contractual risk should be considered alongside the regulatory framework and return available to the transmitter. Participants noted that assigning risks outside the transmitter's reasonable control without an appropriate adjustment mechanism could affect proposal pricing and financing. Participants suggested that cost and schedule relief appropriately address events outside the transmitter's reasonable control and that security requirements, liquidated damages and other contractual consequences be proportionate to project risk. Feedback also requested clarity regarding the financial treatment of Force Majeure and System Conditions, including necessarily and prudently incurred costs resulting from such events. Feedback also emphasized the importance of clearly defining adjustment events, evidentiary	The IESO appreciates the diverse and robust feedback provided. During the October 1 webinar, the IESO has proposed a refined approach to cost containment to address anticipated challenges with subjective cost category determinations and potential disagreements over whether specific costs or circumstances should be addressed through an adjustment event. Specifically, the IESO is proposing a model where risk management is supported through the contract via a Target Cost framework with a cost sharing mechanism for overruns/savings. A target cost risk-

requirements, decision timelines and dispute-resolution processes for changes to Total Capital Cost. Some feedback suggested that any IESO right to terminate the contract prior to construction due to escalating capital costs or changing system conditions be limited to clearly defined circumstances, with appropriate recovery of necessarily and prudently incurred or committed costs where termination is not caused by transmitter default. Feedback suggested that such recovery also consider associated financing or carrying costs where the project cannot proceed for reasons outside the transmitter's reasonable control. Additional feedback requested clarity regarding operational performance obligations, security requirements and change-of-control provisions, including whether requirements could accommodate routine corporate reorganizations, affiliate transfers and potential Indigenous equity participation where project capability and performance are not affected. Feedback also suggested providing customary lender rights and permitting commercially appropriate forms of security, with security requirements reducing as project risk is retired. Some feedback suggested avoiding duplicative post-COD performance requirements where operational matters are already governed through applicable OEB requirements, Market Rules and other regulatory instruments.	sharing approach seeks to align the interests of the transmitter and ratepayers by having the transmitter share in both cost savings and cost overruns. This creates a continuous incentive to manage costs, mitigate risks, and deliver the project efficiently. The IESO welcomes feedback whether this approach balances cost certainty, risk sharing and incentives for efficient project delivery, and will share an update on this proposed approach within future engagement sessions. To support a transparent process with sufficient opportunity for sector input, the IESO will plan to release subsequent versions of the Contract for Indigenous community and stakeholder review and comment before finalizing the document and concepts in Q2 2027.
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Website Obligations:

Feedback Received	IESO Response
Indigenous communities and stakeholders generally supported transparency regarding project development and construction. Feedback differed regarding the appropriate level and timing of public disclosure. Participants suggested that: - commercially sensitive or confidential information relating to Indigenous agreements and negotiations not be publicly disclosed; - Indigenous Knowledge, archaeological locations, culturally sensitive information and other community-controlled information be protected from disclosure without appropriate authorization; - detailed permitting information, project schedules, progress reports and remediation information be	The IESO recognizes the feedback regarding the proposed website obligations, including the importance of protecting confidential information. The IESO is reviewing the feedback received to date and will share an update with the release of subsequent Contract drafts. The IESO respects Indigenous Knowledge that is shared or offered, and we acknowledge that Indigenous Knowledge received is intended for confidential, internal use only. Indigenous Knowledge will be treated with care and respect and will not be shared or distributed without

provided confidentially to the IESO where public disclosure could create security, commercial or administrative concerns; • public reporting requirements avoid duplicating information already required through environmental or regulatory processes; • reporting frequency and detail be proportionate to the level of project activity; • a reasonable period following contract execution be provided to establish the project website; and • pre-bid website requirements avoid requiring proponents to disclose competitively sensitive proposal information before the proposal submission deadline. • publicly available mapping and project information reflect the level of project maturity, with more detailed route, property and site information provided when sufficiently developed through applicable project-development, permitting and regulatory processes. Some feedback supported broader public disclosure of information related to project need, alternatives, mapping, environmental and archaeological studies, Indigenous participation outcomes and project progress, while emphasizing the need to protect confidential and community-controlled information.	permission and appropriate authorizations.
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Milestones, Deliverables and Reporting:

Feedback Received	IESO Response
Participants generally supported the proposed milestone structure, including Early Development Completion, Pre-Construction Completion and Commercial Operation, while requesting additional clarity regarding milestone requirements, timing and consequences. Suggestions included: • focusing milestone requirements on objective indicators of project readiness and progress; • focusing requirements involving permits, approvals, land rights and other third-party decisions on actions within the transmitter's control and evidence of diligent pursuit;	The IESO recognizes stakeholder feedback regarding milestone requirements, reporting obligations, schedule flexibility and the relationship between interim milestones, longstop dates and Commercial Operation. The IESO agrees that milestones should support effective project oversight and the early identification of project delivery risks while maintaining appropriate flexibility for proponents to manage project execution. The IESO is reviewing stakeholder feedback regarding milestone design, delay remedies, reporting requirements, circumstances outside a transmitter's reasonable control and the

• allowing flexibility where individual land rights remain outstanding but construction can otherwise proceed; • aligning OEM commitments, Financial Close and other material agreements with the accepted project schedule; • extending milestone dates appropriately where delays result from defined circumstances outside the transmitter's reasonable control; • reducing requirements to submit complete preliminary and final design packages where project components may progress on different schedules; • reducing duplication between certificates, progress reports and other documentation; • ensuring IESO review periods do not unnecessarily affect the project schedule; and • ensuring reporting requirements are proportionate to the information required for project oversight. Some participants suggested that the IESO establish the required Commercial Operation Date while allowing proponents to submit supported project schedules and propose interim milestone dates based on their respective development and execution strategies. Following selection, the IESO and successful proponent could validate the schedule using available information from OEMs and other key interface parties. Feedback also suggested limiting contractual milestones and longstop dates to meaningful project outcomes and clearly defining associated consequences, including security requirements, default triggers, cure rights and interaction with Force Majeure and System Conditions. Participants generally supported focusing liquidated damages on achievement of Commercial Operation rather than imposing liquidated damages for interim milestones. Some feedback supported maintaining the requirements as high-level, technology-neutral functional requirements that define required system outcomes and interfaces while allowing proponents and OEMs to optimize topology, equipment ratings, controls, redundancy and maintenance strategies. Feedback also suggested that the level of publicly disclosed route and property information reflect the maturity of project development to avoid	interaction between milestone requirements and Commercial Operation. The IESO will provide further details through future engagement sessions and subsequent Contract drafts.
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creating unnecessary land speculation or stakeholder uncertainty. Some feedback recommended less frequent progress reporting where appropriate to reduce administrative burden and requested that commercially sensitive information contained in progress or delay-remediation reports be protected from public disclosure.	
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Preliminary System-Level Requirements:

Feedback Received	IESO Response
Participants requested additional clarity and technical information to support development of technically comparable, compliant and appropriately priced solutions. Feedback indicated that some preliminary requirement values cannot be fully assessed until additional system data, interface information and compliance requirements are available. Specific areas identified for clarification included: • whether the 900 MW transfer capability represents a minimum design requirement or maximum capability, how station auxiliaries and losses are treated, and the applicable operating conditions; • Bowmanville AC interconnection voltage; • definition of an equal-capacity delivery path, including the required degree of electrical and physical independence and treatment of common-mode failures; • HVDC configuration parameters, including whether DC voltage, converter topology and earthing philosophy are prescribed or may be optimized by proponents; • asset design life, maintainability, strategic spares and long-term OEM support expectations; • HVDC system losses; • single-path or single-pole operating requirements; • short-term and long-term overload requirements; • minimum and maximum short-circuit levels, X/R ratios and applicable fault duties at each Point of Interconnection; • allowable TTL fault-current contribution;	The IESO appreciates the feedback shared and is continuing to seek feedback from industry regarding best practices for this technology in order to further develop the functional requirements draft. The IESO is reviewing the feedback received to date and will share an update related to the system-level requirements during the December 2026 session.

- harmonic performance, voltage unbalance and other power-quality requirements;
- reactive power requirements, applicable measurement points and capability at zero active-power transfer;
- applicable engineering standards, editions and order of precedence;
- AC and DC fault performance and recovery requirements;
- protection, telecommunications and redundancy requirements;
- metering and loss-accounting arrangements;
- interfaces with Remedial Action Schemes and the existing AC network;
- control hierarchy and responsibilities among the IESO, incumbent transmitter and successful transmitter;
- the scope and ownership boundaries between the converter stations and Points of Interconnection, including responsibility for required station expansion and enabling works;
- system studies, data and models that will be provided to proponents and the timing of their availability; and
- required compliance studies, models, testing, verification and quantitative acceptance criteria.

Participants also requested further clarification regarding several preliminary requirements:

Grid-forming and grid-following operation:

Feedback requested additional information regarding intended operating scenarios, performance expectations and whether grid-forming capability would be a mandatory requirement. Some feedback indicated that grid-forming capability at the proposed project scale may be ahead of proven commercial deployment and could introduce additional technology, design, validation and cost risk. One suggestion was to provide a mechanism to introduce grid-forming functionality when commercially viable rather than require it at Commercial Operation.

Availability: Participants requested further clarification regarding the proposed 99.5% facility availability and 99.9% availability for at least one path, including the calculation methodology, measurement period, outage classifications and exclusions, measurement boundaries,

treatment of external events and associated performance consequences. Feedback indicated that submarine cable repair durations may make annual availability targets difficult to achieve without appropriate exclusions or averaging periods and could influence system architecture, repair strategy and proposal pricing. One suggestion was to address submarine cable repair readiness separately through requirements for strategic spares, repair capability and restoration times.

Equal-capacity delivery paths: Participants requested clarification regarding what constitutes a delivery path, whether it represents a complete AC-to-AC transmission chain, the required level of physical and electrical independence, and the capability that must remain following a credible contingency. Feedback suggested defining the required reliability outcome rather than prescribing specific cable separation or protection methods, allowing route-specific engineering and risk assessments to determine the appropriate solution.

Short-circuit capability: Feedback requested confirmation of the applicable fault duty at each Point of Interconnection, including whether the proposed 80 kA requirement is intended to apply at both 500 kV and 230 kV connections. Some feedback indicated that applying a uniform 80 kA requirement at 230 kV could result in unnecessary equipment and design costs.

Reactive power capability: Participants requested clarification of the applicable system-voltage range and whether the full reactive-power capability is required at zero active-power transfer. Feedback indicated that requiring full STATCOM capability across all operating conditions could materially affect converter and transformer sizing and cost.

Sub-synchronous and control interactions: Feedback suggested defining the applicable system conditions, studies, screening criteria and data that would be used to assess sub-synchronous and other control interactions, including responsibility for risks arising from future changes to the surrounding power system.

Submarine and land cable requirements: Feedback requested a common basis for cable design and pricing, including environmental and thermal conditions, burial and separation expectations, external-aggression protection, landfalls, crossings, route and lakebed information, testing, strategic spares and repair requirements. Participants suggested establishing common assumptions where route surveys, geotechnical investigations or regulatory requirements will not be

finalized before proposal submission, with appropriate mechanisms to address material post-award changes.

System data and models: Participants requested that proponents receive a common package of available system information and models to support a consistent bid basis, including fault levels, X/R ratios, system-strength information, harmonic impedance and background distortion data, and relevant load-flow, short-circuit, RMS and EMT models. Feedback suggested that detailed studies that cannot reasonably be completed during the proposal period be undertaken following award through an appropriate change-management framework.

Contingency and reliability requirements: Feedback requested greater clarity regarding applicable N-1 and N-2 contingencies, common-cause events, restoration requirements and maintenance configurations. Participants indicated that these requirements should be sufficiently defined to allow proponents to determine the required level of redundancy and appropriately price their proposed solutions.

Participants also suggested that the consolidated technical requirements:

- clearly identify whether individual requirements are mandatory, rated, proponent-optimized or provisional;
 - identify applicable operating conditions, contingencies and precise measurement points;
 - clearly establish technical and commercial interface boundaries;
 - provide a controlled set of common assumptions for matters not finalized before proposal submission;
 - identify where and when outstanding technical requirements will be resolved through future procurement documents;
 - define cybersecurity and telecommunications requirements;
 - clarify environmental and permitting design assumptions;
 - clarify whether black-start, system-restoration or future multi-terminal/expansion capability is required; and
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provide appropriate change mechanisms where requirements or underlying system conditions materially change after proposal submission. Participants suggested that the IESO continue engaging experienced HVDC OEMs regarding the technical requirements and current and expected technology capabilities.	
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Project Maturity, Cost and Risk Allocation:

Feedback Received	IESO Response
Participants raised concerns regarding the level of project definition expected to be available when proponents are required to submit project costs. Areas of uncertainty identified included: - routing and land requirements; - geotechnical and lakebed conditions; - permitting, environmental and archaeological requirements; - Indigenous consultation outcomes; - technical requirements and system interfaces; and - OEM and supply-chain considerations. Feedback indicated that unresolved development-stage matters may result in additional contingencies or risk premiums being reflected in proposals. Participants generally suggested aligning cost-containment mechanisms with the level of scope certainty, information available at the proposal stage and the party best positioned to manage the associated risk. Suggestions included: - providing additional project definition before proposal submission; - allocating risks to the party best positioned to manage them; - providing appropriate cost and schedule relief for defined events outside the transmitter's reasonable control; - establishing clear mechanisms for addressing post-award changes; and - progressively confirming project scope, cost and schedule as the project matures.	The IESO appreciates the feedback received. The IESO is aiming to provide an adequate level of information for proponents to support their bid development work, however it is recognized that there will be an unavoidable degree of uncertainty at time of bid. To support bid development, the IESO will provide Functional Requirements and has initiated a Corridor Study. The Functional Requirements will serve to define key technical parameters for the project, based on reliability and operability needs of the grid. This work requires that a sufficient level of detail be provided while leaving sufficient flexibility where Original Equipment Manufacturers are best positioned to optimize the design. The Corridor Study is an early-stage planning exercise that involves a desktop review of publicly available information to identify land requirements, opportunities and constraints within a broad geographic area where future transmission infrastructure may be developed. The purpose of the study is to provide proponents with a baseline of information to inform their bids and helps avoid future land use conflicts. The IESO welcomes perspectives regarding the type of information proponents would recommend that would support robust and comparable bids. More information about the Corridor Study can be found in the October 1 webinar materials, and an update about the

Some feedback supported a project-level target price with cost sharing rather than separate cost-containment mechanisms for individual cost categories, noting that this could preserve flexibility to manage costs across project delivery while maintaining overall cost accountability. Feedback also suggested that where individual cost-containment mechanisms are used, different treatment may be appropriate depending on the level of cost certainty and controllability. Examples included target-cost treatment for development studies, surveys and detailed design, and fixed-cost treatment for activities considered more directly within the proponent's control. Participants noted that transferring risks outside a proponent's reasonable control may result in those risks being reflected through higher bid contingencies rather than being eliminated. Examples identified included Indigenous consultation outcomes, environmental, archaeological and geotechnical findings, permitting and lakebed conditions, interconnection requirements, changes in law or regulation, scope or schedule changes imposed by external authorities and material Force Majeure events. Some participants suggested that greater project definition before proposal submission could improve bid comparability and reduce uncertainty reflected in proposal pricing. Feedback also suggested that proposal evaluation consider the maturity and deliverability of proposed solutions, including the extent of engineering, OEM engagement, route development, permitting work and other pre-bid development activities undertaken by proponents. Some feedback suggested that recognizing differences in proposal maturity could help account for the risk of subsequent cost increases or schedule changes when comparing proposals. Some feedback also suggested evaluating proposals using a present value revenue requirement methodology that considers capital costs together with financing and operating costs, rather than evaluating submitted capital cost in isolation.	Functional requirements can be found in the August 20 webinar materials. Lastly, the IESO is also proposing a shift to a risk-sharing model, where risk management is supported through the contract via a Target Cost framework with a cost sharing mechanism for overruns/savings. The IESO recognizes stakeholder concerns regarding the allocation of risks outside a transmitter's reasonable control and acknowledges that risk allocation can influence proposal pricing, financing requirements and overall project costs. The proposed Target Cost framework is intended to balance cost certainty, risk sharing and incentives for efficient project delivery while reducing the need for subjective determinations regarding individual adjustment events. A target cost risk-sharing approach aligns the interests of the transmitter and ratepayers by having the transmitter share in both cost savings and cost overruns. This creates a continuous incentive to manage costs, mitigate risks, and deliver the project efficiently. By recognizing project uncertainty while maintaining cost discipline, a target cost approach provides flexibility to optimize project delivery and reduces the need for subjective cost adjustment determinations. The IESO welcomes feedback about whether this approach balances cost certainty, risk sharing and incentives for efficient project delivery.
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Land, Routing and Connection Feasibility:

Feedback Received	IESO Response
A participant requested that land ownership and land-use considerations be considered alongside technical requirements when assessing potential connection arrangements, including prioritizing connection options	The IESO appreciates this feedback. As part of the preliminary system level requirements that were released during the August 20 webinar, the IESO also provided details about a feasibility

involving publicly owned lands where these provide technically feasible and practical alternatives. Feedback indicated that connection feasibility should consider: • existing land ownership; • existing and planned land uses; • land acquisition requirements; • potential expropriation requirements; • implementation timelines; and • associated project costs. Participants also requested sufficient information regarding connection arrangements and scope boundaries to support development of feasible proposals while maintaining flexibility for the successful transmitter to undertake detailed routing, siting and land acquisition activities.	assessment by the asset owner to determine feasible connection arrangement. Given that the preliminary interconnection locations define where the TTL transmission facilities connect to the grid, land ownership was not considered. The eventual line and station locations for the TTL have not been determined and will be determined by the selected transmitter. To better understand land ownership, and other criteria, such as environmental considerations, the IESO is kicking off a Preliminary Corridor Study. The study is an early-stage planning exercise that involves a desktop review of publicly available information to identify land requirements, opportunities and constraints within a broad geographic area where future transmission infrastructure may be developed. The purpose of the study is to provide proponents with a baseline of information to inform their bids and helps avoid future land-use conflicts. The IESO is offering targeted engagements with potentially impacted and interested groups. Understanding perspectives from landowners, Indigenous communities and other interested stakeholders is an important part of this work. To engage with the IESO on the study, please reach out to Engagement@ieso.ca. To learn more please view the October 1 webinar materials.
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Procurement Evaluation and Proponent Experience:

Feedback Received	IESO Response
Participants generally supported evaluating proponents on factors beyond submitted price and minimum eligibility requirements. Some feedback suggested that experience and project-delivery capability currently assessed through Mandatory	The IESO appreciates this feedback. To address the feedback received and ensure alignment with the Directive, the IESO is proposing a flexible framework to evaluate proponent experience that values both organizational capability and individual expertise. The proposed framework will continue to require

Requirements could also be considered through Rated Criteria to better distinguish between qualified proponents. Suggestions for additional or increased evaluation consideration included: • relevant HVDC and underwater transmission experience; • development and execution capability; • marine construction experience; • project controls and risk-management capability; • permitting and land-acquisition strategy; • supply-chain readiness; • financing strategy; • Indigenous engagement and participation experience; and • demonstrated ability to implement commitments made on previous projects. Participants also suggested requiring proponents to provide greater detail regarding their proposed development, construction, marine installation, permitting, land acquisition, financing and operations strategies. Some feedback suggested that proposal evaluation also recognize differences in project maturity and development readiness, including engineering development, OEM engagement, route development and permitting progress, to better account for potential differences in post-award cost to schedule risk. Feedback also suggested considering a present value revenue requirement approach that allow proponents to compete on broader customer-cost drivers, including capital costs, financing costs and operating and maintenance costs. Feedback regarding OEM requirements suggested that relevant OEM experience be defined primarily by the scope and technology of previous projects, including subsea HVDC experience, rather than geographic location. Some feedback also suggested allowing proponents flexibility to change OEMs during project development where replacement OEMs continue to satisfy the applicable experience requirements, subject to appropriate notification to the IESO.	organizational experience as a core component of the qualification requirements. The framework would also allow proponents to rely on team-member experience in certain circumstances while maintaining organization experience requirements. The IESO is also considering rated criteria that would incentive proponents to demonstrate more experience. This approach will balance competition and support successful project delivery and meaningful Indigenous participation throughout the project lifecycle. Learn more by viewing the October 1 webinar deck. To IESO also appreciates the feedback related how to evaluate eligibility requirements that will address a commitment to work with original equipment manufacturers that have experience designing HVDC equipment. The IESO is considering this feedback and will provide an update in late 2026/early 2027.
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