Toronto Third Line Procurement Indigenous Community Frequently Asked Questions

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Document Change History

Version	Reason For Change	Date
1	Frequently Asked Questions, Key Feedback and IESO Responses	November 16, 2026

Frequently Asked Questions

The following questions have been submitted to the IESO via a number of channels, including via the engagement@ieso.ca inbox and through engagement feedback. Capitalized terms used but not defined in this FAQ have the meaning given to them in the Market Rules, the Toronto Third Line (TTL) RFP, and the TTL Contract.

This document will be continuously updated with questions and responses pertaining to the TTL RFP.

Project Overview

1. What is the Toronto Third Line (TTL)?

The Toronto Third Line is a proposed new transmission connection that would connect from Bowmanville Switching Station (SS) (Municipality of Clarington) to Hearn SS (Downtown Toronto) and will support electricity needs in Toronto and the broader GTA. This connection is an underwater high-voltage direct current (HVDC) line, which would enhance reliability, increase supply diversity, and support long-term growth.

2. Why is a new transmission line needed?

The Toronto Third Line was identified through the IESO's planning process as a long-term solution to support electricity needs in Toronto and the broader GTA. As electricity demand grows due to population growth, economic development, electrification, and new electricity resources connecting to the grid, additional transmission infrastructure will be needed to reliably move power where it is needed. The proposed Toronto Third Line would help bring additional electricity into Toronto and the GTA, strengthen reliability, and support economic growth.

3. How are Indigenous communities being engaged?

The IESO is committed to ongoing, meaningful engagement with Indigenous communities. This includes providing information, seeking and considering early feedback on procurement design, and offering opportunities for participation in the procurement design process through various engagement formats.

Procurement Approach

4. Why is the project being competitively procured?

A competitive procurement process allows multiple qualified developers to propose solutions, which can:

- Encourage innovation
- Promote cost-effectiveness for ratepayers

- Attract experienced developers with specialized expertise
- Provide accountability for cost, schedule, and project commitments

5. How is this different from traditional transmission development?

Unlike traditional approaches where a transmitter may be designated, this procurement is being designed as a competitive process to better reflect its complexity and scale. The approach is tailored to the project's unique characteristics while incorporating best practices from other jurisdictions.

6. How does this relate to the Transmitter Selection Framework (TSF)?

The TSF is a broader approach for competitive transmission procurement in Ontario. While the Toronto Third Line has unique requirements, it will incorporate key TSF elements such as pre-registration of Proponents and structured evaluation processes. Insights from this project will help inform future applications of the TSF.

Preliminary Corridor Study

7. What is the preliminary corridor study?

The preliminary corridor study is an early-stage planning exercise being undertaken by the IESO to identify and understand opportunities and constraints within a broad geographic area where future Toronto Third Line infrastructure may be developed.

The study will primarily involve a desktop review of existing information and will consider existing and planned infrastructure, land use and ownership, environmental and cultural features, regulatory and permitting considerations, and constructability considerations.

The study will also be informed by engagement with Indigenous communities, municipalities, landowners and other interested participants.

8. Why is the IESO undertaking the preliminary corridor study?

The preliminary corridor study is intended to result in a final Corridor Study, as defined in the RFP, that will provide a common understanding of relevant opportunities and constraints before the competitive procurement. This will help prospective Proponents prepare more informed and consistent Proposals, identify potential land-use considerations early, help avoid future land-use conflicts and support coordinated planning.

Information from the Corridor Study may also inform subsequent project development, including future detailed routing and siting work.

9. What is the initial study area?

The initial study area is the broad geographic area within which the IESO and its consultant will examine opportunities and constraints relevant to the future development of the Toronto Third Line. The initial study area is not intended to indicate a preferred route, alignment, station location or final project footprint. As this planning exercise progresses, the initial study area may be subject to change based on the evaluation work and information received through engagement.

10. Will the preliminary corridor study determine the final route for the Toronto Third Line?

No. The preliminary corridor study will not select or approve a final transmission route, station location or project footprint. The study will provide information that can inform future project development. Following the competitive procurement process, the selected Transmitter will be responsible for advancing detailed routing and siting and completing applicable environmental, permitting, regulatory and consultation processes.

11. How will Indigenous communities be involved in the preliminary corridor study?

The IESO will engage with Indigenous communities and other interested participants to share information and gather relevant local knowledge, planning information, interests and feedback on opportunities and constraints within the initial study area. The IESO will provide updates as the study progresses.

Information and feedback received through engagement will be considered alongside the study's technical and planning work as it is developed and refined. A draft study will be shared for review and feedback, providing an additional opportunity for Indigenous communities and other participants to identify relevant information and considerations before the final report is released in 2027.

Enabling Indigenous Engagement and Participation in the Procurement

12. How is the IESO enabling Indigenous engagement and participation in the Toronto Third Line procurement?

The IESO recognizes the importance of Indigenous communities being meaningfully involved and engaged in the development of transmission infrastructure. The IESO is continuing to engage with potentially impacted First Nations and is committed to incorporating Indigenous engagement and participation throughout the process. Proponents will be required to demonstrate experience conducting project related engagement and rights-based consultation with Indigenous communities throughout the development of a defined project, and to submit an Indigenous Engagement and Participation Plan (IEPP) including a list of First Nation Communities that the Proponent will engage with, a plan for engagement, and the Proponent's economic participation commitments to First Nation Communities.

Through Rated Criteria, the evaluation process will recognize certain levels of economic commitment to Indigenous communities, including Indigenous equity and non-equity commitments, demonstrated experience establishing Indigenous participation and benefit arrangements, and Proponents who are able to meet the RFP's Indigenous Experience requirement at both the Organizational level and Team Member level.

Given that the IEPP will play an important role in both Proposal evaluation and Proponent selection, the IESO is looking at ways to ensure that IEPP commitments are reflected in the Transmitter's contractual obligations. To support that objective, the IESO is proposing an approach that focuses on transparency, monitoring, and accountability. The proposed approach includes ongoing reporting throughout project development to demonstrate how Indigenous participation commitments were delivered, and additional accountability and transparency measures to help ensure the Transmitter follows through on their commitments.

In July 2026, the IESO released a guidance document to build awareness and seek input on the potential design features for the procurement. The IESO is committed to ongoing, meaningful engagement with Indigenous communities and is committed to continuing to gather input as we refine the design elements of the procurement.

13. How are Rated Criteria points used to enable Indigenous engagement and participation?

Rated Criteria are evaluation tools used to distinguish between qualified Proponents based on commitments and outcomes that provide value beyond the Mandatory Requirements set out in the RFP. The June 18 Ministerial Directive requires the IESO to include Rated Criteria that recognize Proponents who: offer certain levels of Indigenous economic participation opportunities in the TTL project, have a demonstrated record of establishing economic participation and benefit arrangements with Indigenous communities throughout the development of an infrastructure project, and commit to sourcing certain percentages of Canadian labour and materials.

Consistent with the Directive, the IESO is proposing Indigenous related Rated Criteria that recognize and incentivize commitments in the following areas:

- **Indigenous Equity Participation:** Recognizes proposals that include higher Equity Percentage commitments, representing the minimum Economic Interest in the TTL project that a Proponent has committed to offer to one or more First Nations Communities.
- **Indigenous Non-Equity Economic Benefit:** Recognizes proposals that include higher Non-Equity Commitments, which are benefits, other than equity ownership, offered to one or more First Nation Communities, which have a direct nexus to the development or construction of the TTL project and which the Proponent has committed to provide before the first anniversary of commercial operation date (COD). The Directive identifies supply chain opportunities, and training and employment opportunities as types of Non-Equity Commitments.
- **Demonstrated Experience Establishing Indigenous Participation and Benefit Arrangements**: Recognizes proponents that demonstrate a track record of creating value and building capability for Indigenous communities on previous projects, including by recognizing projects located in Ontario.

Proponents seeking Rated Criteria points will be required to describe their commitments and provide supporting evidence through their Indigenous Engagement and Participation Plan (IEPP). The proposed Rated Criteria points will be used as part of the Proposal evaluation process to encourage Indigenous participation opportunities by recognizing and rewarding higher levels of equity and non-equity commitments.

The IESO is also proposing to include project de-risking criteria reward characteristics that reduce project delivery risk: Cost Estimate Maturity, Strength of Proponent Experience, and Experience Delivering Similar Projects. Specifically, the IESO is proposing to provide rated criteria points to proponents able to satisfy experience requirements for HVDC transmission, underwater transmission, and Indigenous engagement and rights-based consultation demonstrated at both the Organizational and Team Member level.

14. What is the Indigenous Engagement and Participation Plan (IEPP)?

As part of a Proposal, a Proponent will be required to submit an Indigenous Engagement and Participation Plan (IEPP) outlining planned engagement and economic participation commitments.

The IEPP is intended to ensure that proponents have given thorough consideration to:

- Engagement approaches
- Community participation opportunities
- Long-term economic opportunities

The IEPP is a Mandatory Requirement of the RFP that the Proponent and Proposal must satisfy. In addition, Proposals will be evaluated, and Rated Criteria may be awarded to a Proposal, based on the equity and non-equity commitments reflected in an IEPP.

15. Who is responsible for Indigenous consultation?

The duty to consult with Indigenous communities is a legal duty that rests with the Crown. The Crown may delegate certain aspects of consultation to the selected Transmitter to carry out. The IESO's role during the TTL procurement process is to engage with communities on procurement design and project-related information but the duty to consult is beyond the scope of the TTL RFP.

Following the competitive procurement process, the TTL Contract will require the selected Transmitter to carry out, to Ontario's satisfaction, Indigenous consultation requirements specified by the Ministry. These Indigenous consultation requirements should not be interpreted as changing or derogating from any other processes or requirements.

Consultation responsibilities will be defined by the Ministry of Energy and Mines as the project progresses.

16. How might the TTL project affect Indigenous rights or asserted claims relating to the lakebed of Lake Ontario?

The Crown is responsible for fulfilling its duty to consult where the Crown has knowledge of an asserted or established right or claim and contemplated Crown decision or action may adversely impact such right or claim. Indigenous communities are encouraged to contact the Ministry of Energy and Mines regarding any questions or concerns regarding rights or claims relating to the Lake Ontario lakebed.

17. How does the IESO intend to manage the potential burden on First Nations that may result from multiple proponents seeking engagement during the competitive procurement process?

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. Ultimately, 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.

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.

More detailed engagement is expected to occur after a Proponent 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, potentially impacted First Nations will have opportunities to economically participate in the project and will have the time needed to negotiate participation arrangements with a single selected Proponent.

18. How will the IESO ensure the Proponent has the experience necessary to properly engage and consult with Indigenous communities?

The IESO acknowledges that importance of Proponents having the necessary experience to engage and consult with Indigenous communities. In line with the Directive, the TTL RFP will require Proponents to demonstrate experience working with Indigenous communities throughout the development of a linear infrastructure project within Treaty or traditional territories, including project-related engagement and rights-based consultation.

In addition, in response to feedback, the IESO is proposing a framework that values both organizational capability (Organizational Experience) and individual expertise of key team members (Team Member Experience) in respect of the RFP's Experience Requirements. The proposed framework will continue to require Organizational Experience as a core component of the qualification requirements, which must be demonstrated in two of the three Experience Categories, while also allowing Proponents to rely on Team Member Experience to demonstrate the remaining Experience Category. The IESO is also considering Rated Criteria Points that would incentivize Proponents which can demonstrate more robust experience beyond the Mandatory Requirements, which would value a Proponent that demonstrates both Organizational Experience and Team Member Experience in respect of the Indigenous Experience Category combined with either or both of the other Experience Categories. This approach is intended to support successful project delivery and meaningful Indigenous participation throughout the project lifecycle.

19. If a Proponent relies on Team Member Experience in respect of an Experience Category, what safeguards are included in the proposed framework?

Where a Proponent relies on the experience of specific individuals (i.e., Designated Team Members) to meet qualification requirements, each Designated Team Member must hold a significant leadership position, such as an officer or director of the Proponent, and must have exercised managerial authority in respect of any function related to the qualifying project being relied on for the purposes of demonstrating the requisite Experience Category. A Proponent cannot rely on experience of an individual who acted only as a consultant, advisor or third-party service provider. To meet the requisite Indigenous experience at the Team Member level, Proponents would need to demonstrate that two Designated Team Members have direct experience working with Indigenous communities in Canada, including experience conducting project-related engagement and rights-based consultation.

To ensure that the experience relied upon during qualification remains available during project delivery, the Transmitter would also be required to maintain substantially equivalent experience throughout the Contract Term. Lastly, the IESO is considering additional evaluation Rated Criteria Points that could be awarded for experience that exceeds the minimum Mandatory Requirements to incent Proponents to demonstrate a both Organizational and Team Member Experience for the Indigenous Experience Category.

20. Who is acting on behalf of the Crown throughout this RFP development process? What are the Crown's expectations for proponents regarding Indigenous consultation and consent?

The Crown (as represented by the Ministry of Energy and Mines) conducted early rights-based consultation directly with First Nations whose rights or interests are potentially impacted by the Ministry's proposal to issue an Order in Council (OIC) and Minister's Directive to the IESO to undertake a competitive procurement process and then enter into a contract with a transmitter to build and operate the Toronto Third Line.

Following the competitive procurement process, the Ministry, on behalf of the Crown, plans to delegate certain procedural aspects of consultation to the Transmitter to carry out. The TTL Contract will require the selected Transmitter to carry out, to Ontario's satisfaction, Indigenous consultation requirements specified by the Ministry. These Indigenous consultation requirements should not be interpreted as changing or derogating from any other processes or requirements. For example, the Transmitter will be responsible for obtaining applicable regulatory approvals, including a Class Environmental Assessment (EA). Indigenous consultation will be undertaken as part of the Class EA process. Other regulatory processes may also trigger the duty to consult.

Consultation responsibilities and any delegation thereof will be communicated by the Ministry of Energy and Mines as the project progresses.

21. Do you plan to engage with hereditary chiefs of affected First Nations, the elected councils or both? Will Proponents be expected to do the same?

The Ministry of Energy and Mines has shared with the IESO a preliminary engagement list for the TTL RFP. This list, which is subject to change, identifies elected council and/or hereditary leadership, as appropriate, and was included in the IESO's January 28th, 2026 webinar material. The IESO plans to engage with all communities on this list.

Following the competitive procurement process, the Ministry, on behalf of the Crown, plans to delegate the procedural aspects of consultation to the Transmitter to carry out. For example, the Transmitter will be responsible for obtaining applicable regulatory approvals, including a Class Environmental Assessment (EA), and Indigenous consultation will be undertaken as part of the Class EA process. Other regulatory processes may also trigger the duty to consult. The Crown's expectations for the Proponent regarding rights-based consultation with potentially impacted Indigenous communities will be communicated at the time of delegation.

22. Will there be any supports provided to Indigenous communities whose rights or traditional territories have the potential to be affected by this project?

The IESO intends to require that Proponents submitting Proposals under the RFP offer Capacity Funding to communities on the Ministry Engagement List that the Proponent has engaged with as part of their Proposal preparation, and the selected Transmitter will be required to continue providing reasonable Capacity Funding for ongoing engagements and consultations throughout project development for the term of the TTL Contract.

The IESO is currently developing the Indigenous Engagement Capacity Fund to support Indigenous participation in its planning and procurement engagements. Although we do not have a timeline to share at this time, the IESO is working closely with the Ministry to secure a letter of direction to

obtain the necessary funding and will be in touch with communities on the Crown's engagement list as soon as funding becomes available.

23. Can rights-holding communities participate in the TTL RFP evaluation?

To preserve the integrity of the procurement process and adhere to confidentiality requirements, only the IESO Evaluation Team can evaluate Proposals. The Proposals will be evaluated in an objective and transparent manner based on the established TTL RFP criteria. TTL RFP criteria will be developed transparently and publicly, based on the input of Indigenous communities and subject to policy direction and the final RFP will be publicly posted to the IESO's website. While communities will not score and evaluate Proposals, feedback shared during the engagement has and will continue to help inform how the TTL RFP is designed and how commitments are structured.

24. How will marine archaeology, cultural heritage, and submerged cultural landscape considerations be incorporated into project planning and development?

The IESO recognizes the diverse cultural histories, connections to the land and the Canadian constitutional rights of Indigenous peoples. The IESO acknowledges the importance of the marine archeology, cultural heritage, and submerged cultural landscapes. Presently, the IESO is engaging on procurement design to select a Transmitter for the Toronto Third Line and has initiated a preliminary corridor study. The IESO is committed to continue to inform communities about the Toronto Third Line project scoping and TTL RFP development and seek feedback on key design elements of the TTL RFP.

The purpose of the preliminary corridor study is to provide a common understanding of relevant opportunities and constraints to help prospective Proponents prepare more informed and consistent Proposals and help avoid future conflicts. The IESO is seeking information on community interests, Indigenous knowledge, cultural values, environmental features, archaeological considerations, and other matters that may be relevant to understanding opportunities and constraints within the study area. Information and feedback received through engagement will be considered alongside technical, environmental, land use, and planning information as this study is developed and refined. A draft preliminary corridor study will be shared for review and feedback, providing Indigenous communities and other participants with an additional opportunity to identify information, concerns, and considerations that they believe should be reflected before it the final Corridor Study is released in 2027.

Once a Transmitter is selected through the procurement process, they will be required to obtain all permits and approvals necessary to build the project, and to carry out, to Ontario's satisfaction, Indigenous consultation requirements. At that time, the Transmitter will be able to discuss marine archaeology, cultural heritage, and submerged cultural landscape considerations relevant to the Environmental Assessment process.

25. How will the IESO ensure that Indigenous commitments made by Proponents are achieved over the life of the project?

The IESO agrees that Capacity Funding, equity and non-equity opportunities, along with accountability mechanisms are critically important elements of the procurement and TTL project development process. Consistent with the Directive, the IESO has incorporated Indigenous engagement and participation requirements throughout the procurement framework. The TTL RFP

will establish minimum requirements that Proponents must satisfy in order to participate, including the submission of an Indigenous Engagement and Participation Plan (IEPP) including equity participation commitments, non-equity commitments, and Capacity Funding offers. The TTL RFP will also outline how Indigenous participation commitments will be evaluated as part of the overall Proposal assessment. The TTL Contract will support project delivery by establishing binding obligations throughout project development and construction, including the fulfillment of key commitments made by the successful Proponent. To help ensure accountability, the IESO is considering a range of contractual mechanisms, including ongoing monitoring, reporting requirements, and verification audits. Procurement design elements continue to be refined, and the IESO welcomes ongoing input from Indigenous communities to help inform these aspects of the procurement.

26. How has the IESO considered Indigenous ownership opportunities in the Toronto Third Line procurement framework?

The IESO recognizes the importance of Indigenous economic participation in major transmission projects and the role that ownership opportunities can play in supporting long-term economic benefits for Indigenous communities. The procurement framework is being designed to encourage meaningful Indigenous participation while recognizing that communities may have different priorities and preferences, which may include equity ownership and non-equity commitments such as supply chain, employment and training opportunities.

To support these objectives, Proponents will be required to submit an Indigenous Engagement and Participation Plan (IEPP) that outlines their proposed approach to Indigenous participation, including economic participation commitments to communities on the Ministry's Engagement List. The IEPP is intended to establish minimum participation commitments, including a minimum equity offer and minimum non-equity economic benefit commitments, while providing flexibility for proponents and Indigenous communities to determine participation arrangements that best reflect community interests and priorities.

27. Why doesn't the procurement require a specific Indigenous equity ownership percentage?

In line with the Directive, the RFP requires a Proponent to submit an IEPP Equity Percentage, representing the minimum percentage of the total Economic Interest a Transmitter has committed to offer to make available to communities, rather than setting a prescribed equity ownership outcome. The design accounts for the fact that the procurement process occurs before a Transmitter has been selected and likely before Indigenous communities are able to have detailed discussions regarding their preferred form and level of participation.

The IESO recognizes that Indigenous communities may have different interests and priorities and that a single ownership percentage may not reflect the preferences of all communities. Some communities may seek equity ownership, while others may prioritize different economic participation opportunities. Requiring Proponents to make a minimum equity offer helps ensure ownership opportunities are available, while allowing Indigenous communities and the Transmitter the flexibility to negotiate participation arrangements that best meet their specific objectives following Contract execution.

In addition, the IESO considers the procurement stage too early to require binding equity ownership agreements, as key project details and community specific discussions will continue to evolve after a Transmitter has been selected. The proposed approach is intended to balance meaningful Indigenous participation opportunities with flexibility for Indigenous communities to determine the arrangements that are most appropriate for them.

The tensions of the competitive procurement process and specific Rated Criteria that value higher IEPP Equity Percentages will incentivize Proponents to make a significant equity commitment.

28. Can equity participation begin prior to energization or commercial operation?

An IEPP Equity Percentage under the RFP and Contract is defined as an Economic Interest (the "equity") in the Transmitter, as set out in a Proponent's IEPP. Such an Economic Interest could be obtained at any time prior to or after Transmitter selection. The RFP will recognize commitments made in the Proponent's IEPP to offer equity to, and any equity already held by, one or more First Nation Communities on the Ministry Engagement List or their associated Indigenous Holding Vehicles at the Proposal submission deadline. The Contract will require that the Transmitter implement its IEPP commitment to offer equity by keeping equity offers open until one year after commercial operation, and report on uptake of the equity offers. The timing and terms of Indigenous equity participation in the TTL project will ultimately depend on the negotiations between the Transmitter and eligible First Nations and Indigenous Holding Vehicles. This provides a long window for meaningful engagement, relationship building and negotiations to take place.

29. How will First Nation equity be treated under the hybrid IESO/OEB model?

The Transmitter is expected to file annual revenue requirement applications with the OEB, and any revenues or payments to the Transmitter will be based on an OEB order establishing the transmitter's approved annual revenue requirement. The allocation and distribution of payments among equity holders in the TTL project, including any eligible First Nation equity participants, will be governed by the terms of the equity arrangement negotiated by the Transmitter and participating Indigenous communities.

30. How will the commercial model accommodate First Nation capital participation?

The procurement framework is designed to incentivize the Transmitter to commit to offering equity participation to First Nation Communities on the Ministry Engagement List or their associated Indigenous Holding Vehicles. The amount of capital contributed, as well as the specific terms of that participation, will be determined through negotiations between the Transmitter and participating First Nations and is not prescribed by the TTL RFP or the Contract.

Engagement and Next Steps for the Procurement

31. How can Indigenous communities provide input?

Indigenous communities and other interested parties can participate in engagement sessions, review materials posted on the IESO website and submit feedback through available channels. The engagement teams also welcome the opportunity to meet one-on-one with Indigenous communities to gather feedback and perspectives that will help inform procurement design and project development.

In Q1 2027, the IESO intends to release an updated version of the Indigenous Engagement and Participation Design Features document to continue to build awareness and seek Indigenous community and stakeholder input on potential Indigenous participation design features in the procurement for the Toronto Third Line.

32. What are the next steps?

The IESO will continue engagement activities throughout 2026 and 2027 to refine the procurement design. The TTL RFP is expected to be launched in 2027.

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