
JULY 11, 2023

Ongoing Activities to Address Ontario's Growing Electricity Needs

Discussion with Municipalities

Purpose for Today's Discussion

- Recap the role of municipalities in securing new electricity generation supply and progress made so far
- Outline status and path forward for the upcoming LT1 procurement
- Address any questions and hear from municipalities about their experiences so far
- Discuss next steps

Municipalities Have a Key Role

- Inform electricity planning to ensure a reliable and adequate supply to meet future needs
- Shape the province's energy transition by providing input into procurement designs and requirements
- Host new generation, transmission and storage
- Work with project proponents on the applicable approvals
- Keep constituents engaged and informed on key decisions



Recap: E-LT1 RFP Update

- The E-LT1 RFP is complete with 1,176.7 MW of long-term capacity secured; results described on the next slide
- The list of the 17 Selected Proponents' projects are available on the IESO [website](#)

E-LT1 RFP High Level Results

	Number of Projects	Maximum Contract Capacity (MW)
Proposals Received	44	3,335.9
Non-Storage* Contracts Awarded	2	295
Storage Contracts Awarded	15	881.7
Storage Category 1	7	739.2
Storage Category 2**	8	142.5
Total Contracts Awarded	17	1,176.7

*Includes upgrades and expansions at existing gas facilities

**Storage Category 2 contracts have been offered, not yet executed

	Summer Contract Capacity (MW)	Winter Contract Capacity (MW)	Weighted Average Proposal Price (\$/MW-Business Day)
Non-Storage	256	295	\$1,093.22
Storage***	881.7	881.7	\$881.09

Note: Only those Proposals evaluated in Stage 4 are included in the above values

*** Includes Storage Category 1 and Storage Category 2 Proposals

Municipal Feedback Gathered from E-LT1

- Experienced steep learning curve to absorb a significant amount of new information about the procurements and associated new processes and new requirements
- Support for Municipal Council Support Resolutions - these resolutions provide an opportunity for communities to understand and evaluate projects and to discuss their impacts/benefits
- Emphasis on the importance of being fully engaged in the procurement process, helping to build the necessary trust between proponents and local communities
- Appreciation for regular communications at key milestones, and for the targeted engagement efforts

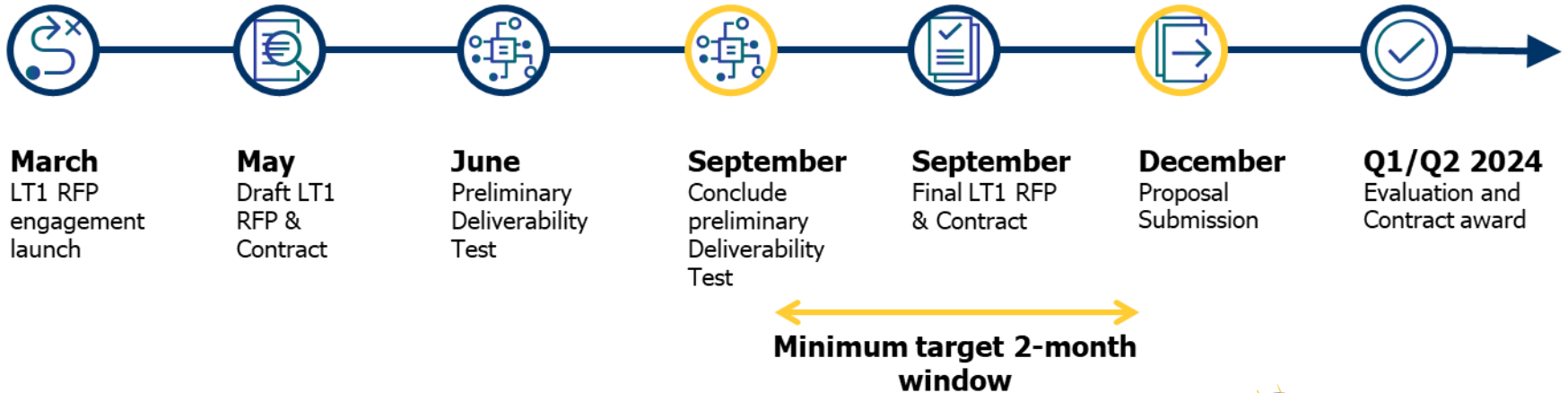
LT1 RFP Overview

- The LT1 RFP will procure new-build resources as well as eligible expansions at existing facilities to meet capacity needs that emerge mid to late 2030s
- Proponents unsuccessful in the E-LT1 RFP evaluation process will have the opportunity to re-submit projects into the LT1 RFP
- Contracts will be awarded for projects coming into service in the 2028 timeframe with proposed incentives for early operation, however natural gas contracts will not be permitted to go beyond 2040
- Community engagement and Municipal Council Support Resolution will continue to be required and can start as early as February 17, 2023

LT1 RFP Timeline

In response to concerns regarding development timelines, as well as revised reliability assumptions, the IESO is **proposing to modify the Commercial Operation Date (COD) for the LT1 RFP to May 1, 2028.**

The IESO will aim to conclude LT1 RFP and offer contracts by end of **Q2 2024**



Seeking Input: Municipal Council Support Resolution

- MCSRs will continue to be a template for Proponents to be able to meet LT1 RFP requirements.
- Feedback on the form/requirements will be crucial in helping the IESO finalize these documents.

1. Should blanket Municipal Council Support Resolutions that were previously passed in the E-LT1 process be accepted as sufficient for the LT1-RFP? Why or why not?
2. What else should be considered with respect to Municipal Council Support Resolutions in the LT1 RFP?
3. What factors would make it easier for municipalities to be involved? (e.g. flexibility on timelines with proponents, ways to recognize prescribed forms, administration, etc.)



What's Next

What to Expect: Municipal Roles in Procurement Process

Municipalities will have up to four roles in the upcoming LT1 RFP procurement process:

- ➔ **1. Providing input into the development of the final procurement documents**
- 2. Responding to inquiries from Qualified Applicants
- 3. Providing Municipal Council Support Resolutions to new generation and/or storage projects
- 4. Participating in community meetings for projects

Feedback on the final procurement documents are requested via [feedback form](#) by **August 1, 2023** to engagement@ieso.ca.

Next Steps

- Feedback on the information shared today can be submitted via [feedback form](#) by **August 1, 2023** to engagement@ieso.ca
- We will continue to provide information and engage on these topics and new items to help inform the procurement process
- Stay in touch by visiting the [community engagement page](#)



Resources for Municipalities

IESO Procurement-Related Information Sources for Municipalities

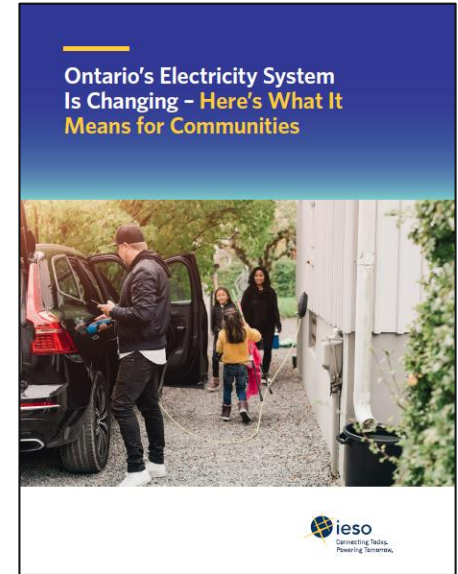
IESO Long-Term RFP and Expedited Procurements Webpage – main procurement project webpage, includes project timelines, postings of key documents such as the draft requests for proposals and contracts, and information on qualified applicants

IESO Procurements Engagement Webpage – main engagement webpage for the procurements; includes webinars and feedback received

IESO Procurements Community Engagement Webpage – dedicated engagement webpage for municipalities and Indigenous communities related to the procurements; includes dedicate webinars and community feedback as well as key related materials

IESO General Information Sources for Municipalities

- **Electricity Toolkit for Municipalities** – to help understanding of the role communities play in Ontario’s electricity system available www.ieso.ca/Learn
- **Municipal Role in Planning Ontario’s Electricity Future** – various resources on the role of municipalities, regional planning, and community engagement activities
- **Upcoming In-Person Opportunities** – the IESO is attending municipal conferences this fall; please drop-by to discuss the procurements or electricity topics of interest to your community
- Contact communityengagement@ieso.ca with any questions



Provincial Information Sources for Municipalities

Ministry of Municipal Affairs and Housing (MMAH) – inquiries on the provincial policy statement and provincial plans in relation to the IESO procurements can be directed to the [Municipal Services Office](#) in your region or through the [MMAH mailbox](#)

Ministry of the Environment, Conservation and Parks (MECP) – inquiries regarding provincial environmental permissions can be directed to the Client Services and Permissions Branch at 1-800-461-6290 or by email to enviopermissions@Ontario.ca

Thank You

ieso.ca

1.888.448.7777

CommunityEngagement@ieso.ca

engagement@ieso.ca



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