

LT2 Procurement Steps and Requirements for Municipalities

June 2025

Purpose

This document aims to provide further details on the steps a municipality can expect during the IESO's Long-Term 2 (LT2) procurement process and the specific requirements that developers and municipalities must complete if the proposed project is to be supported by the municipality and be eligible to compete for an IESO contract. It also includes details on the approximate timelines for both developers and municipalities as contemplated in the LT2 procurement process.

Step 1: Engagement with Developer

- Municipalities can expect to be approached by developers to discuss potential projects. As all developers are required under the LT2 RFP to provide the Local Municipality with a **Pre-Engagement Confirmation Notice** at least 60 days prior to Proposal Submission Deadline, this may be the first form of formal engagement. A sample of the Pre-Engagement Confirmation Notice will be provided as part of the [Prescribed Form\(PF\): Evidence of Municipal Support](#).
- The Pre-Engagement Confirmation Notice serves the purpose of sharing preliminary project details, including a request that the Local Municipality confirms the land use designation of the proposed project site, and begins the collaborative work between the Local Municipality and the developer to establish an agreed upon community engagement plan.
- Municipalities are encouraged to set expectations and minimum community engagement standards with developers directly. This allows municipalities to determine what is sufficient community engagement based on their local needs and preferences and allows the IESO to rely on a Municipal Support Confirmation as a measure that engagement has been completed in a manner that is satisfactory to the host community.

Step 2: Protections for Agricultural Lands – applicable to Project Sites located on Prime Agricultural Land as defined by the PPS, 2024 and designated in the Local Municipality's Official Plan

- Municipalities can expect to be asked by the developer to confirm the land-use designation of the proposed project site. There are additional requirements if the project is proposed to locate in a Prime Agricultural Area.
- Per the Ministerial Directive all new electricity projects are prohibited in Specialty Crop Areas, and all new ground mounted solar projects are prohibited in Prime Agricultural Areas. All eligible projects that are proposed in Prime Agricultural Areas require the completion of an Agricultural Impact Assessment (AIA). There are three components of an AIA (avoid, minimize, and mitigate), which may be completed in two different stages for projects proposed under the LT2 RFP:
 - Stage 1: AIA Component One Requirement considers ways to avoid potential impacts (e.g., prevent impacts, where possible, through a project location process that considers options outside prime agricultural areas and lower priority soils, if necessary).
 - Stage 2: AIA Components Two and Three Requirement considers strategies to minimize potential impacts (e.g., keep impacts to a minimum by incorporating specifics in the design of a project or operational plan) and approaches to mitigate potential impacts (e.g., adopt measures to reduce the severity of impacts such as noise, dust and traffic).
- **The AIA Component One Requirement** must be met as of the Proposal submission deadline and the **AIA Components Two and Three Requirement** must be met within 18-months of the IESO awarding a Contract. These requirements are completed by the developer and then reviewed to the satisfaction of the Local Municipality. To support the completion and review of the AIA requirements the Ontario Ministry of Agriculture, Food, and Agribusiness has published guidelines documents here: [OMAFA Guidelines for the LT2 AIA Component One Requirement](#). The OMAFA Guidelines for the LT2 AIA Component Two and Three Requirement have not been published yet.
- Confirmation that the AIA Component One Requirement has been completed to the satisfaction of the Local Municipality is evidenced via the Municipal Support Confirmation.
- Confirmation that the AIA Components Two and Three Requirement has been completed to the satisfaction of the Local Municipality is evidenced via Exhibit T: Form of AIA Confirmation Certificate of the [LT2 Contract](#).

Step 3: Municipal Support Confirmation

- Once a developer has completed, (or has committed to completing) the agreed upon community engagement plan, the developer will ask the Local Municipality to issue a **Municipal Support Confirmation (MSC)**. A MSC is required as a part of the Proposal submission and serves as confirmation that community engagement has been completed by the developer in a manner that is satisfactory to the municipality and that the municipality is supportive of the developer submitting their proposed project to the IESO.
- The MSC does not guarantee that the proposed project will be awarded an IESO Contract and does not supersede any applicable permits under applicable Laws and Regulations.

- The MSC can be in the form of a **Municipal Resolution in Support of Proposal Submission** or a **Blanket Municipal Support Resolution** provided together with a Blanket Municipal Support Confirmation Letter.
- Municipalities are welcome to develop their own resolution, however, to make the process easier, a writable form that includes all necessary information will be posted as part of the **Prescribed Form: Evidence of Municipal Support** once the LT2 RFP documents are finalized. Municipalities can work with the proponent on filling in the relevant details. Municipalities developing their own resolution should follow the instructions included in the [Prescribed Form: Evidence of Municipal Support](#).

Step 4: Contract Awarded

- After a project is awarded an IESO LT2 contract, municipalities continue to work with developers to ensure that projects align with their community interests and requirements. Municipalities and developers have the ability to negotiate community engagement requirements and community benefit agreements. Additionally, before construction, successful projects must obtain a number of permits and approvals, including:
 - a site plan approval;
 - zoning permits or amendments (if required);
 - environmental approvals (including engagement and consultation requirements with Indigenous communities);
 - Regulatory approvals;
 - grid connection approvals; and
 - permits for new roads and other infrastructure.
- Other government organizations will also play an oversight role to ensure projects are safe and appropriately sited. Some examples include:
 - **Environmental Assessments (EA):** The Ontario Ministry of the Environment, Conservation and Parks may conduct a Renewable Energy Approval (REA) assessment for some wind, solar and bioenergy projects. There are several other EA's that can be undertaken. More information on types of EAs can be found [here](#).
 - **Land Use and Municipal Requirements:** The Ontario Ministry of Municipal Affairs and Housing provides guidance on legal and regulatory requirements related to land use, such as zoning and buffer zones for specific types of generation.
 - **Agricultural Land:** The Ontario Ministry of Agriculture, Food and Agribusiness provides guidance on zoning requirements and other regulatory restrictions.
 - **Crown Land:** The Ontario Ministry of Natural Resources provides guidance on the use of crown lands, including approvals, rules for access, and the role of municipalities.
 - **Fire and Safety:** Third parties, such as the Electrical Safety Authority and Technical Standards and Safety Authority, ensure that project proposals and development comply with all applicable laws and regulations.

- Over the course of the project's development, municipalities engage directly with project developers to ensure compliance with all applicable laws, regulations and local requirements.
- Additionally, projects that are **unsuccessful and are not awarded a contract** could participate in subsequent procurement windows, if the Municipality and developer are interested. This would require further engagement between the two parties to ensure compliance with the LT2 RFP and the potential to be awarded a contract in one of the multiple procurement windows.