

June 27, 2025



Independent Electricity System Operator

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Dear Members of Council,

Re: Update from IESO on LT2 Procurement Process

Please accept this letter to be shared with relevant staff and members of your Council to help municipalities prepare as the [Independent Electricity System Operator](http://www.ieso.ca) (IESO) launches the Long-Term 2 (LT2) procurement. The IESO recognizes the importance of collaborative efforts between stakeholders and communities to advance Ontario's energy infrastructure while meeting municipal planning goals and is committed to keeping municipalities informed as work progresses. This letter aims to provide a fact-based view of the province's growing need for electricity, the important role that securing new electricity infrastructure plays in ensuring Ontario continues to have a reliable, affordable and sustainable electricity system today and into the future and offers a suite of online resources to support municipalities through the procurement process.

The IESO works at the heart of Ontario's electricity system. We maintain reliability by overseeing the operation of the grid in real time – 24 hours a day, 7 days a week. We also conduct ongoing planning and procurement processes to ensure Ontario's electricity system has the infrastructure and tools in place to meet our needs 20-years into the future.

The growth of Ontario's electricity system must accelerate at an unprecedented pace. The IESO forecasts annual electricity demand to grow 75 per cent by 2050 due to economic growth, electrification, and evolving technologies. To ensure reliable and affordable electricity is available where and when it is needed, the IESO is moving forward with ambitious plans to build a significant amount of new supply and transmission infrastructure, as well as to expand energy efficiency programs.

To address Ontario's growing electricity needs, the IESO has initiated several electricity supply acquisition mechanisms, including the LT2 procurement process. The LT2 Request for Proposal (RFP) seeks to procure new supply resources and will include multiple proposal submission windows, that will be run on approximately an annual basis. The LT2 RFP will take an "all of the above" approach to eligibility and may see wind, solar, bioenergy, energy storage, combined heat and power, hydroelectric and natural gas projects come forward under the first submission window. Successful projects will be awarded a 20-year contract term.

Municipalities play a critical role in Ontario's energy transition and local decisions are shaping the future of Ontario's electricity system. Municipal governments determine whether their community will be a willing host of electricity projects by issuing a Municipal Support Confirmation (MSC) and oversee local development approvals. The MSC does not guarantee that the project will be awarded an IESO contract and does not supersede any applicable permits or approvals under applicable Laws and Regulations. If you would like more information, you can review our [LT2 RFP webpage](#).

While the IESO always encourage developers to conduct early engagement with communities, for the LT2 RFP, the IESO is empowering municipalities to determine the appropriate levels of engagement required in their communities. Each community in Ontario is unique and should be engaged in a manner that works best for their community members. This means that municipalities will be able to determine minimum engagement standards that developers must meet, as part of their issuance of an MSC.

To help inform discussions, the IESO is sharing the following resources:

- The [Annual Planning Outlook Engagement webpage](#) which provides IESO's forecast of Ontario's electricity system needs out to 2050.
- A dedicated [community engagement webpage](#) which provides key information to aid municipal decision-making.

While the IESO is responsible for planning the system and executing the procurement process, other Ministries and government authorities are responsible for overseeing environmental assessment processes and setting standards for the safe maintenance and operation of electrical equipment. As part of the IESO's contracts, proponents are required to obtain and comply with all relevant permits and processes. Additional resources include:

- Ontario Ministry of the Environment, Conservation and Parks (MECP) [Location/Site Considerations Checklist for Renewable Energy Projects](#).
- MECP's [Technical Guide to Renewable Energy Approvals](#) which provides information on land use planning, siting considerations and decommissioning.
- To support the completion and review of the Agricultural Impact Assessment requirements the Ontario Ministry of Agriculture, Food, and Agribusiness has published guidelines documents here: [OMAFA Guidelines for the LT2 AIA Component One Requirement](#).
- The Ontario Association of Fire Chiefs, the Canadian Renewable Energy Association and Energy Storage Canada released the [Solar Electricity and Battery Storage Systems Safety Handbook for Firefighters](#).
- A [toolkit](#) created by the Association of Municipalities of Ontario (AMO) to guide municipalities on the development of electricity projects.
- The Ontario government requires all renewable energy proposals to acquire [Renewable Energy Approvals](#) before moving forward with development. More information on the approval process can be found via the link above.
- More information about wind turbine noise can be found on [Health Canada's page](#).

The current electricity system will not meet electricity demand projected for 2050. Ontario requires more electricity, and we must work together to secure it. Municipalities like yours are

key partners in Ontario's energy transition and local decisions play a critical role in shaping the province's electricity system. Municipalities determine whether they are willing hosts for new supply resources and are therefore essential to securing the energy resources needed to meet Ontario's growing electricity needs. For this reason, it is essential that municipalities remain engaged and informed in the procurement process. To stay up to date please subscribe [here](#).

The IESO is committed to continuing our engagement with municipalities as work progresses, and we welcome your feedback and involvement in these important matters.

If you would like more information, please email our Regional and Community Engagement team at communityengagement@ieso.ca.

Sincerely,

A handwritten signature in dark ink, appearing to read 'C. Nell', is positioned above the printed name.

Carla Y. Nell

Executive Vice-President, Corporate Relations, Engagement and Strategy, IESO