

Ministry of Energy

Office of the Minister

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Ministère de l'Énergie

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March 17, 2022

Dear Head of Council:

With an expected increase in economic development and electrification in the years ahead, our government is taking steps to launch a significant provincewide competitive process to procure new electricity resources through the Independent Electricity System Operator (IESO).

As you likely know, our government's *Green Energy Repeal Act* in 2018 restored municipal authority over siting renewable energy projects and made municipalities full partners in the future of Ontario's electricity system. No matter the method or type of energy creation, we will work with you. Gone are the days of forcing power plants and wind turbines in your neighbours' backyards.

While I am keen to share with you details on the road ahead, I write to ensure you are aware that as a municipal council your support is not only key but critical for any energy development in your community, and to inform you that both the IESO and our government are encouraging all potential developers to engage with municipal councils early and often.

In December 2021, the IESO released its 2021 Annual Planning Outlook, which forecasted an emerging electricity need starting in 2025-2026 and continuing through the next two decades. In response, I reiterated the government's commitment to procuring electricity resources in a competitive, transparent and cost-effective manner that ensures the long-term viability of the system while keeping ratepayers' bills stable.

Finally, in January 2022, I directed the IESO to proceed with designing and undertaking:

- Multiple procurement mechanisms designed to re-contract a number of existing electricity resources as well as contract an innovative grid-scale battery storage project; and
- A Long-term Request for Proposals (LT RFP) to competitively procure new energy resources by providing longer-term certainty to incent capital investment, while continuing to balance risk between ratepayers and electricity resource suppliers. The LT RFP will seek resources that can be in service between 2026 and 2028.

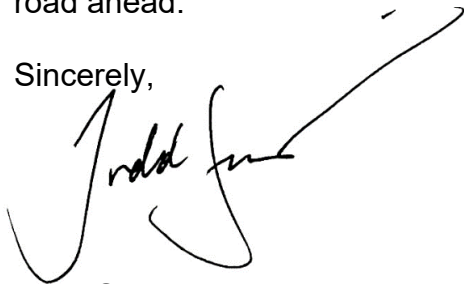
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As you are likely aware, a diverse combination of energy solutions can provide greater flexibility, transparency and reliability for Ontario consumers. Our government continues to be interested in new technologies and business models that drive efficiencies and create new opportunities for consumers – especially solutions that will bring down electricity system costs.

As a starting point, the IESO has released a [stakeholder engagement plan](#) for the LT RFP. The IESO will be reaching out to all municipalities with more information about this engagement, and I encourage you to participate. While I expect the IESO to report back to me with a draft LT RFP in November 2022, I also expect that potential energy infrastructure investors will spend the year ahead preparing project proposals, which will mean securing a host community and seeking municipal support.

As always, your input is important to us, as our local partners are a crucial part of the road ahead.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd Smith", with a long, sweeping flourish extending upwards and to the right.

Todd Smith
Minister