

Ministry of Energy

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MC-994-2022-1003

December 23, 2022

Ms Lesley Gallinger
President and Chief Executive Officer
Independent Electricity System Operator
1600—120 Adelaide Street West
Toronto ON M5H 1P1

Dear Ms Gallinger:

I would like to thank you and your team at the Independent Electricity System Operator (IESO) for your work on designing and engaging with stakeholders on various resource procurement mechanisms under the IESO's Resource Adequacy Framework.

Following my directive to the IESO on October 6, 2022, I am looking forward to the IESO's progress on undertaking the Expedited Long-Term Request for Proposals (Expedited RFP) and on finalizing the design of the First Long-Term Request for Proposals (LT1 RFP).

Our government recognizes that support from local communities is vital to new-build energy projects and expects proponents to engage local communities to seek their support for the proposed projects.

Our government's Green Energy Repeal Act in 2018 gave powers back to municipalities regarding how land use for renewable energy is regulated and approved in Ontario, including restoring municipal siting authority under the Planning Act over new proposed projects.

In recent months, as project proponents look for sites to develop approximately 4,000 megawatts of generation and energy storage, I have heard from multiple municipal councils and other stakeholders that they would like the IESO to be explicit that municipal council support is required for the approval of projects proposed on sites that are located within their boundaries.

For years, our government has been fully supportive of this stance, and I ask that the IESO also be clear as it moves forward on the Expedited RFP Process, LT1 RFP and other upcoming competitive procurements.

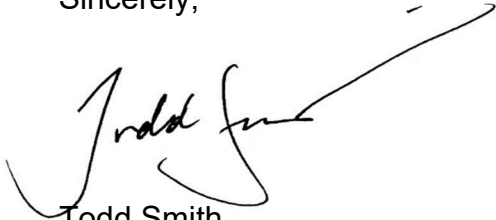
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Recognizing that the final Expedited RFP and Contract were released on December 6, 2022, and that it is the IESO which is responsible for implementing the Directive, it is my expectation that the IESO will be clear about the requirement for a resolution from municipal council supporting a proponent or counterparty with a proposed project located in that municipality, separate and apart from that municipality's permitting and regulatory requirements.

I believe that the submission of a council resolution by a proponent or counterparty to the IESO demonstrating support for the project would be the only basis from which to conclude that an elected council's support on behalf of the municipality has been obtained.

Thank you again and please accept my best wishes for the holiday season ahead.

Sincerely,

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

Todd Smith
Minister

c: Hon. Steve Clark, Minister of Municipal Affairs and Housing
David Donovan, Chief of Staff to the Minister of Energy