December 1, 2025

Town of Tillsonburg
10 Lisgar Ave
Tillsonburg, Ontario N4G 5A5

Attention: Mayor and Council; Planning Department

Dear Representatives of the Town of Tillsonburg,

RE: Tillsonburg BESS Project
Council Meeting of November 10, 2025
Resolution #2025-412, Part D: "THAT Skyline Energy provide Council with more IESO data and information on existing systems"

We are writing to respond to Council's request in the above noted resolution. We trust that the information provided below will provide additional context and comfort as Council considers our request for a Municipal Support Resolution for our Tillsonburg Battery Energy Storage System (***BESS***) Project.

This letter draws from sources published by the Independent Electricity System Operator (***IESO***) and other stakeholders to provide:

- context for the IESO's **Long Term 2 (*LT2*) procurement**;
- a description of the **capacity problems that BESS helps to solve**;
- an overview of **BESS deployment in Ontario**, including some notable projects, one in a location much like our proposed Tillsonburg project;
- an overview of **BESS deployment elsewhere in Canada and in the US**, including some example projects from suburban locations; and
- a description of the **IESO's engagement process with municipalities**, including links to their most recent Q&A session with municipalities.

Context for the LT2 procurement

The IESO recently updated its Municipal Guide: Role of Municipalities in the IESO's Second Long-Term Request for Proposals (LT2 RFP)[1] (version 2, Nov 10, 2025). The Guide includes the following context for the RFP:

> **Ontario's Demand for Electricity is Significantly Increasing**
>
> As the province's electricity system operator and planner, the IESO is responsible for ensuring there is enough power to meet the province's electricity needs reliably and cost-effectively today and in the future. In April 2025, the IESO released the 2025 Annual Planning Outlook that forecasts annual electricity demand will grow by 75 per cent by 2050. Key drivers for this significant growth in electricity demand include economic growth, population increase, new technology, and electrification of industries. Ontario will outgrow the electricity system if expansion efforts are not accelerated.
>
> To ensure reliable and affordable electricity is available where and when it is needed into the future, the IESO is moving forward with ambitious plans to procure a significant amount of new supply and transmission infrastructure, as well as expand energy efficiency programs through Save on Energy. As part of its Resource Adequacy Framework, the IESO has implemented a multi-pronged approach to ensure the necessary resources are in place to meet Ontario's rapidly growing electricity needs. Alongside planning new transmission lines and investing in energy efficiency, a key pillar of our strategy is the procurement of new electricity generating resources.
>
> In November 2024, the Ontario government issued a Directive to the IESO to launch the Second Long-Term Request for Proposals (LT2 RFP). On June 26, 2025, the Ontario government issued an amendment to the Directive that directs the IESO to recognize Proponents who have and retain, Canadian status, for the purposes of the first LT2 RFP submission window.
>
> [...]
>
> **Second Long-Term Request for Proposals**
>
> The Second Long-Term Request for Proposals (LT2 RFP) will be the largest competitive electricity procurement for electricity generation in the province's history as the IESO seeks to procure 14 terawatt-hours (TWh) of annual generation from energy producing resources 1 and 1,600 megawatts (MW) of capacity resources 2 to meet electricity needs emerging from

[1] https://www.ieso.ca/-/media/Files/IESO/Document-Library/engage/long-term-rfp-community/lt2rfp-community-Municipal-Guide.pdf

2029–2034. To achieve this, the LT2 RFP will be structured to include multiple proposal submission windows run on an annual basis. Final documents for the first window were posted on June 27, 2025, with proposal submission in Q4 2025.

The LT2 RFP will take an "all of the above" approach to resource eligibility as a variety of resource types are required to ensure the ongoing reliability of Ontario's electricity system. For the first LT2 RFP proposal submission window, resources that are eligible to participate include, but are not limited to, wind, solar, bioenergy, energy storage, combined heat and power facilities, hydroelectric, and natural gas. These resources must be New Build resources that are 1 MW or greater and capable of achieving commercial operation by May 1, 2030, or earlier. Resources that are successful in the RFP evaluation process will be awarded a 20-year contract term.

The capacity problem that BESS helps to solve

The Ontario electricity system must supply both energy and capacity to meet growing demand from loads. We will focus on capacity needs, as battery energy storage systems provide a resource that will be critical in resolving large forecasts deficits in capacity.

Meaning of "capacity"

The difference between "energy" and "capacity" is explained as follows in *Energy for Generations*[2], the Ministry of Energy and Mines "plan to power the strongest economy in the G7."

> **Understanding electricity demand: capacity vs. energy**
>
> 'Capacity' is a measure of the maximum amount of electricity the province's system can supply at any given time. Ontario's capacity is constantly changing as new supply comes online, older generators are taken out of service and new innovative technologies are introduced. Resources like nuclear, natural gas and hydroelectric that can be depended upon are said to have a 'high-capacity factor', while intermittent

[2] https://www.ontario.ca/page/energy-generations#section-8

resources like wind and solar have a 'low-capacity factor,' unless paired with energy storage.

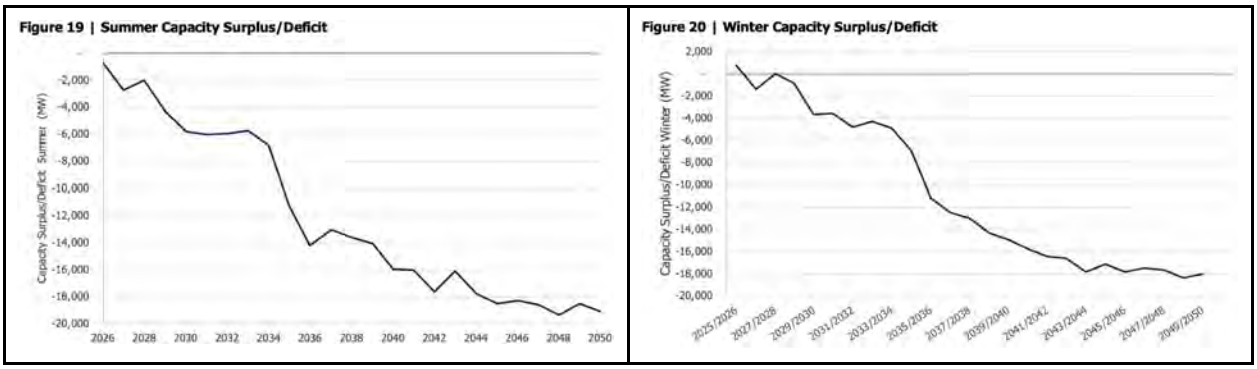
While capacity represents the maximum amount of electricity that could be supplied to the system, 'energy' represents the total amount of electricity that is generated or used over a period of time.

As demand grows Ontario must secure both enough capacity to meet peak demand and enough energy to power homes, businesses and industry day-to-day.

Battery energy storage acts as a capacity resource by charging during periods of low demand and injecting power on short notice to respond to periods of high demand.

Need for capacity

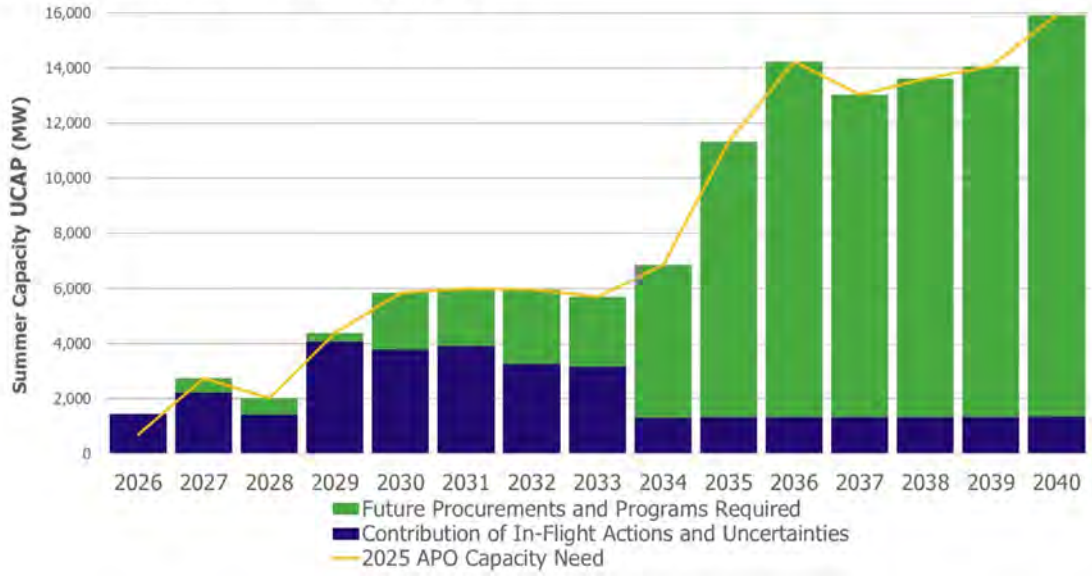
Ontario needs more capacity resources. In Section 4.2 of its 2025 Annual Planning Outlook[3], the IESO forecasted large and growing capacity deficits in the coming years:



The IESO then reviewed initiatives that were already underway to address the capacity shortfalls (which it refers to as "in flight actions") and concluded that there remains a large and growing need for new capacity resources:

[3] https://www.ieso.ca/en/Sector-Participants/Planning-and-Forecasting/Annual-Planning-Outlook

Figure 25 | Integrated Capacity Needs



The LT2 procurement is a key part of the IESO's strategy for meeting these future capacity needs. Storage procured under LT2 will be a significant part of the solution to Ontario's energy challenges.

BESS: a uniquely versatile source of capacity

BESS is a unique type of resource because it is **both a load and a generator** – it can store excess energy during periods of low demand and make it available quickly during periods of high demand. By comparison:

- Industrial and residential loads draw power when their production lines are running or people are at home. BESS can wait to recharge once other loads subside, typically overnight.
- Intermittent generation sources like wind and solar only deliver power when the wind blows or sun shines. BESS can deliver power whenever it is most needed, typically during the day, including when demand is high and other sources of power cannot keep up.

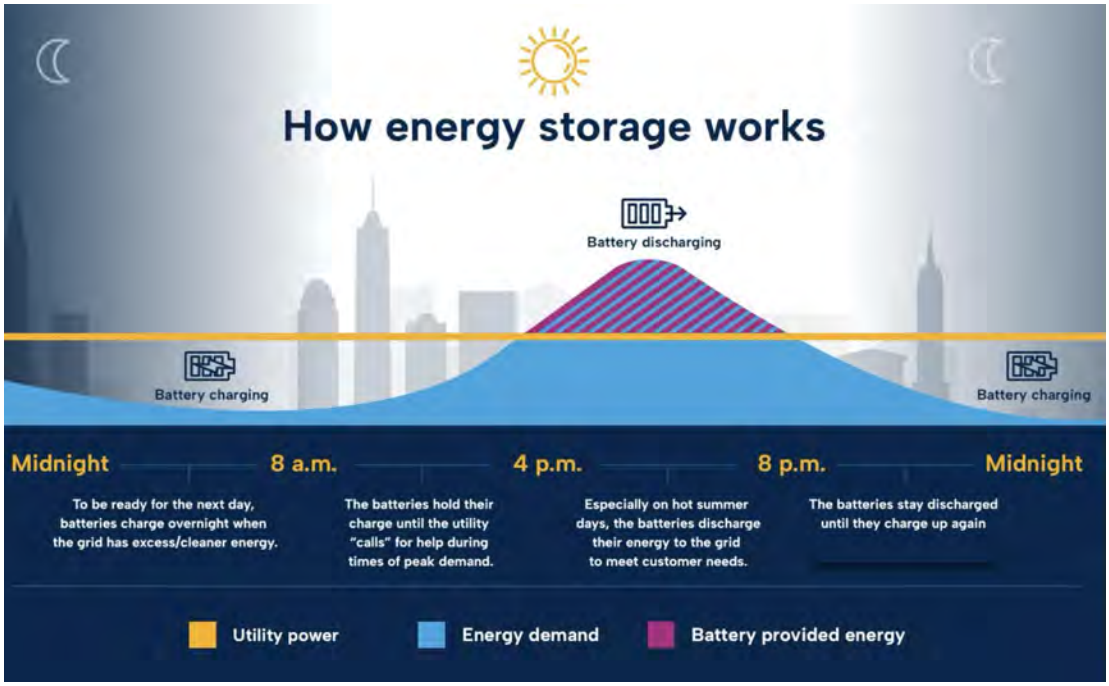


Image credit: NineDot Energy

This is exactly the role that the IESO contemplates for BESS under LT2. Under Section 3.1 of the LT2 Capacity Services Contract[4] capacity resources are subject to a **"must-offer obligation"** where they must be available to offer energy to the grid between 7am and 11pm and are free to charge overnight.[5]

This versatility allows BESS to play a critical and dynamic role in Ontario's electricity system, functioning like a **"shock absorber"** by:

- smoothing out short-term imbalances between supply and demand;
- providing extra power during unusual spikes in demand (e.g., winter storms and summer heat waves);
- shifting energy produced by renewables to the time that it is needed most; and
- helping to regulate voltage and frequency within limits, thereby protecting the quality of power delivered to end users;

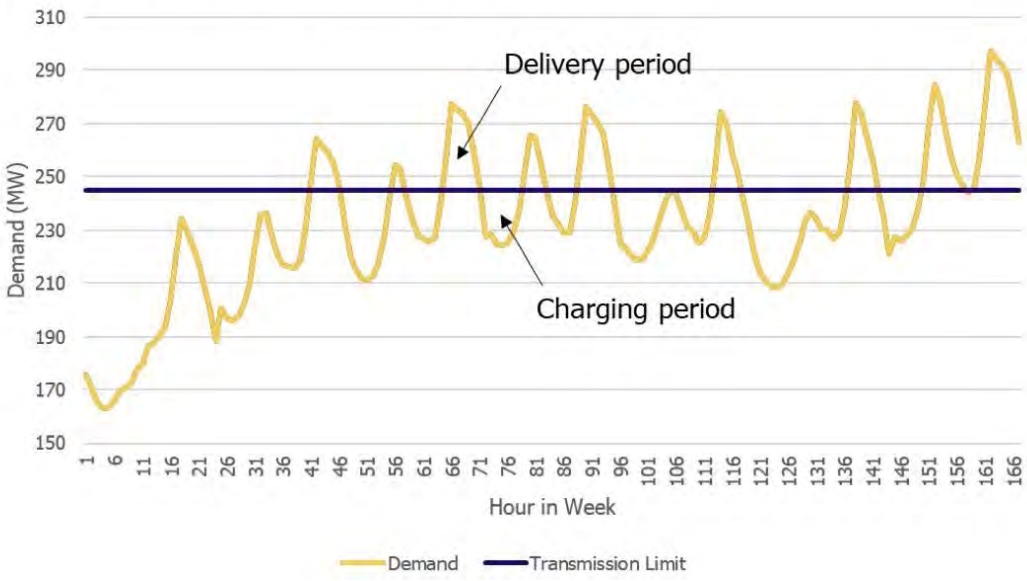
[4] https://www.ieso.ca/-/media/Files/IESO/Document-Library/long-term-rfp/capacity/LT2c-1-20251104-Contract-Consolidated-with-Addendum-1-and-2-and-3.pdf

[5] See s. 3.1 of the LT2 Capacity Services Contract:

BESS can also help **alleviate stress on distribution infrastructure** (feeders and/or stations) that are at risk of being overloaded. During times of day that the distribution system experiences peak loading (i.e., from industrial and residential users), distribution-connected BESS can contribute capacity to help serve those the distribution system has excess capacity.

When used in this way, BESS is sometimes called a "non-wires alternative" ***(NWA)*** that can help **defer or avoid costly upgrades to distribution infrastructure** that is approaching full capacity. This use case is illustrated in the following diagram from an IESO Guide to Assessing Non-Wires Alternatives[6] (which refers to the transmission system, but similar principles apply to the distribution system):

Figure 9 | Sample Load Profile Exceeding Transmission Limit



[6] https://www.ieso.ca/-/media/Files/IESO/Document-Library/regional-planning/IRRP-NWA-Process-Guidelines.pdf

BESS deployment in Ontario

As the IESO notes "Energy storage's contribution (1 per cent) to the province's installed capacity is expected to increase as new storage resources come online over the next few years."[7] That change is already well underway.

IESO procurements

The IESO has concluded two rounds of capacity procurement (ELT-1 and LT1[8]) and is about to conclude the third (LT2[9]):

Procurement	BESS contracts	New BESS capacity
Expedited Long Term RFP (ELT-1)	15	930 MW / 3,720 MWh
Long Term RFP (LT1)	10	1,883 MW / 7,532 MWh
Long Term 2 RFP (LT2)	To be awarded in June 2026	600 MW / 4,800MWh

Copies of the results tables for ELT-1 and LT1 are attached as Exhibit A.

As shown in the table above, the capacity of a BESS project is expressed through two values: one in MW, which is the instantaneous power the BESS can deliver; and one in MWh, which is the total energy the BESS can provide on a single charge. ELT-1 and LT1 procured batteries that could provide energy for 4 hours (which is why the MWh energy capacity is four times the MW power). LT2 will procure batteries that can provide energy for 8 hours, allowing them to serve a wider range of capacity needs.

[7] See s. 3.1.1 of the 2025 Annual Planning Outlook

[8] https://www.ieso.ca/Sector-Participants/Resource-Acquisition-and-Contracts/Long-Term-RFP-and-Expedited-Process

[9] https://www.ieso.ca/Sector-Participants/Resource-Acquisition-and-Contracts/Long-Term-2-RFP

Notable BESS projects

Located in Haldimand County, Ontario, Oneida Energy Storage[10] is a fully operational, 250 MW/1,000 MWh lithium-ion battery energy storage facility. It is Canada's largest operational energy storage facility, and is amongst the largest energy storage projects globally. This project is generally recognized as the flagship utility-scale BESS project in Ontario. It was developed before the LT procurements and informed the requirements of the LT2 RFP process and contract.

The 120MW (4-hour) York BESS[11] in the Township of King and 50MW (4-hour) Goreway BESS[12] in Brampton both came online in September 2025[13]. These projects were both procured by the IESO under ELT-1.

As announced by the Ontario government on November 12, 2025[14], the Skyview 2 BESS, has now broken ground. Located in the Township of Edwardsburgh Cardinal, Skyview 2[15] will be a 411 MW (4 hour) project, more than one-and-a-half times as large as Oneida.

Not all BESS projects are as large as these. The Walker Battery Energy Storage System[16], also procured under ELT-1, came online in June, 2025[17]. It has a total capacity of 15 MW (4-hours) and is located at 3940 North Service Road East, Windsor. This is a very notable example. **Similar to our proposed Tillsonburg BESS, the Walker BESS is located on an underutilized part of a lot in an industrial area of Windsor.**

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10 https://www.oneidaenergystorage.ca/

11 https://www.capitalpower.com/operations/york-energy-centre-bess/

12 https://www.capitalpower.com/operations/goreway-power-station-bess/

13 https://www.capitalpower.com/media/media_releases/strengthening-ontarios-grid-capital-power-commissions-two-battery-energy-storage-projects/

14 https://news.ontario.ca/en/release/1006716/ontario-breaks-ground-on-canadas-largest-battery-storage-project

15 https://www.potentiarenewables.com/our-portfolio/skyview-2-bess-project/

16 https://compassgreenfield.ca/projects/

17 https://www.cbc.ca/news/canada/windsor/windsor-battery-storage-facility-1.7566598

The IESO procurements are not the only thing driving battery deployments in Ontario. Over several years, commercial and industrial loads have been adding "behind the meter" BESS facilities to help save on electricity costs under the Industrial Conservation Initiative[18] (ICI).

In Ontario's partially regulated electricity market, many costs of operating the electricity system are bundled together in a charge to consumers known as the Global Adjustment. Customers who participate in the ICI are typically larger commercial and industrial loads. They pay their share of the Global Adjustment based on their percentage contribution to the top five peak hours of system-wide demand each year. If they can avoid one or more of those top five peak hours, they can save significantly on Global Adjustment. Many have chosen to install behind-the-meter BESS systems to avoid those peaks. When a peak hour is forecast, the customer can draw on its BESS to power its operations, reducing its demand for power from the grid, avoiding the peak and slashing its Global Adjustment bill.

By one estimate, 225 MW of these "behind-the-meter" BESS systems were installed as of 2023 (and the number is certainly higher today). **BESS has therefore been deployed safely and effectively in industrial settings for many years.**

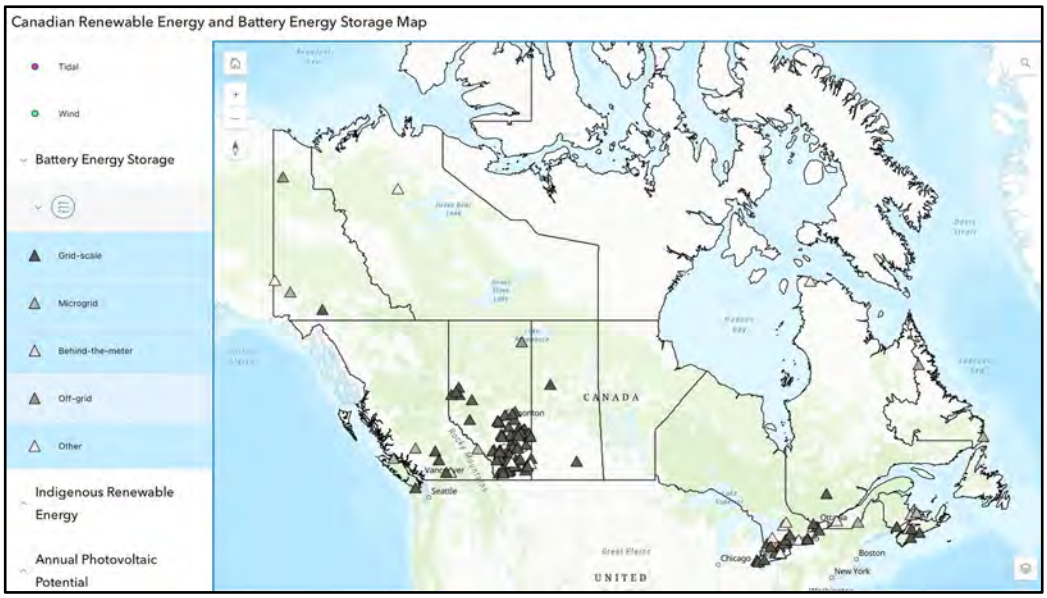
[18] https://www.ieso.ca/Sector-Participants/Settlements/Global-Adjustment-Class-A-Eligibility

BESS deployment in other jurisdictions

Canada

Ontario is a leader in BESS deployments. However, other provinces - notably Alberta - are also realizing the benefits of BESS as a versatile grid resource.

The following map, prepared by a team at the University of Alberta and available in an interactive format online[19], illustrates BESS deployments across Canada as of 2024. More systems have been added since.

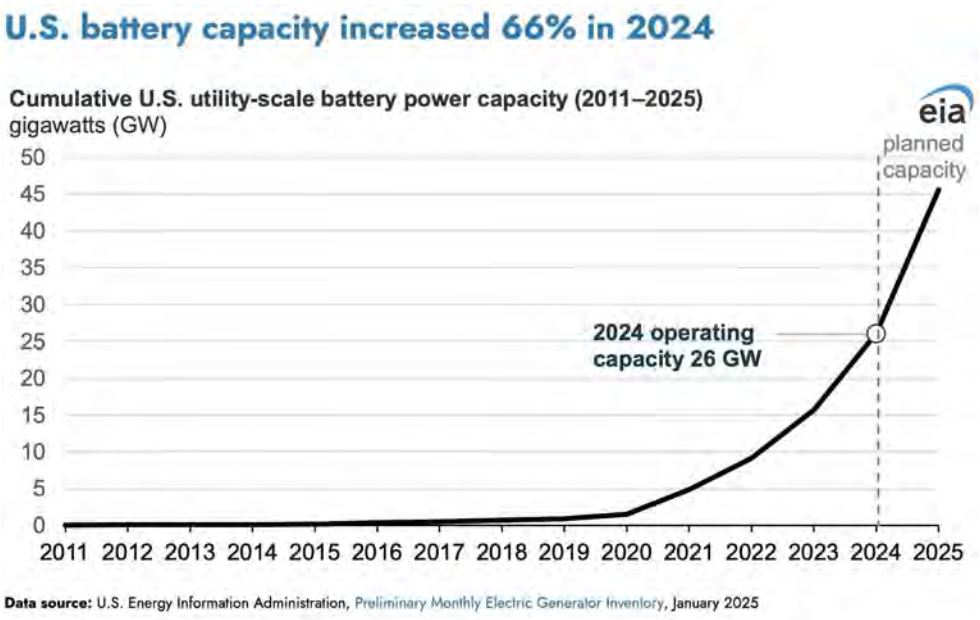


United States

BESS projects are proliferating in the United States. The US Energy Information Administration released the following chart of BESS growth[20] in March:

[19] https://www.futureenergysystems.ca/resources/renewable-energy-projects-canada

[20] https://www.eia.gov/todayinenergy/detail.php?id=64705



These systems are all over the country, with concentrations in California, Texas and the Northeast. Cleanview publishes an interactive map showing the location and details utility-scale projects in the US. As of November 2025, they were tracking 858 projects with a total operating capacity of 37,152 MW.

To provide some more specific context, we attach as Exhibit B just **a few examples of BESS systems that have been safely integrated into suburban environments**. Most of these systems are substantially larger than what we are proposing for Tillsonburg.

IESO engagement with municipalities

As part of the LT2 procurement, the Independent Electricity System Operator (IESO) has run their own ongoing community engagement process. A history of that engagement, including links to presentations and recordings of webinars is available on their Long-Term RFP Community Engagement[21] page.

The most recent event was a Q&A session with municipalities held on November 13, 2025. A copy of the presentation is attached as Exhibit C and the recording will be available on the IESO website referenced above. The presentation emphasized that:

- More electricity infrastructure must be built across communities in the province in a timely manner.
- 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.
- Municipal input and feedback has informed the IESO's design of the LT2 procurement documents and resources.

With respect to role of Municipalities in the approval of projects, the presentation notes that:

- The municipality is responsible for confirming the land-use designation of the proposed project site.
- The Municipal Support Confirmation[22] confirms that the municipality supports the submission of the proposal to the IESO. It does not impact or change any approvals, permits or requirements the project may be subject to (e.g. environmental permits). It is not a guarantee of an IESO contract award.

[21] https://www.ieso.ca/Sector-Participants/Engagement-Initiatives/Engagements/Long-Term-RFP-Community-Engagement

[22] Which we have referred to as the Municipal Support Resolution in our prior correspondence.

Conclusion

Skyline Energy remains very excited about our proposed Tillsonburg BESS project. We hope that this letter assists Council in understanding how the project would be part of a growing wave of safe and reliable BESS development that will help Ontario meet its growing energy needs.

Yours truly,
Skyline Energy

Exhibit A - Results Tables from ELT-1 and LT1 Procurements

Attached.

Expedited Long-Term RFP (E-LT1 RFP) – Final Results

Storage Category Suppliers

Proponent	Qualified Applicant	Project Name	Nameplate Capacity (MW)	Summer Contract Capacity (MW)	Winter Contract Capacity (MW)	Fixed Capacity Payment ($/MW Business Day)	Indigenous Participation	Zone – Location
Storage Category 1								
Hagersville Battery Storage Inc	Boralex Inc.	Hagersville Battery Energy Storage Park	300	285	285	$786.25	50% Six Nations of The Grand River	Southwest – Haldimand County
Napanee BESS Inc.	PORTLANDS ENERGY CENTRE L.P. (Atura Power)	Napanee Energy Storage	265	250	250	$896.92	No Indigenous Participation	East – Town of Greater Napanee
Tilbury Battery Storage Inc	Boralex Inc.	Tilbury Battery Storage	80	76	76	$774.50	50% Walpole Island First Nation	West – Municipality of Lakeshore
Walker BESS 4 Limited Partnership	Wahgoshig Solar FIT5 LP	Walker BESS 4	4.999	4.749	4.749	$997.00	51% MoCreebec Eeyoud	West – City of Windsor
Walker BESS 4 Limited Partnership	Wahgoshig Solar FIT5 LP	Walker BESS 5	4.999	4.749	4.749	$998.00	51% MoCreebec Eeyoud	West – City of Windsor
Walker BESS 4 Limited Partnership	Wahgoshig Solar FIT5 LP	Walker BESS 6	4.999	4.749	4.749	$998.99	51% MoCreebec Eeyoud	West – City of Windsor
York (Battery) LP	Capital Power Corporation	York BESS	120	114	114	$852.50	No Indigenous Participation	Essa – King Township
Storage Category 1 Total			**779.997**	**739.247**	**739.247**			
Storage Category 1 weighted average price						**$836.77**		

Storage Category 2								
1000234763 Ontario Inc	1000234763 Ontario Inc.	SFF 06	4.99	4.74	4.74	$1,477.00	50% Caldwell First Nation, Mississaugas of Scugog Island First Nation	East – Township of Cramahe
1000234763 Ontario Inc	1000234763 Ontario Inc.	903	4.99	4.74	4.74	$1,477.00	50% Caldwell First Nation, Mississaugas of Scugog Island First Nation	Essa – Township of Armour
1000234813 Ontario Inc	1000234813 Ontario Inc.	OZ-1	4.99	4.74	4.74	$1,477.00	50% Caldwell First Nation, Mississaugas of Scugog Island First Nation	Bruce - Municipality of Arran–Elderslie
Arlen Energy Storage 1 LP	Alectra Convergent Development LP	Arlen Energy Storage 1	20	19	19	$1,224.00	No Indigenous Participation	Southwest – City of Guelph
Goreway (Battery) LP1	Capital Power Corporation	Goreway BESS	50	47.5	47.5	$1,007.00	No Indigenous Participation	Toronto – City of Brampton
Vaughan 1E Energy Storage 1 LP	Alectra Convergent Development LP	Vaughan 1E Energy Storage 1	20	19	19	$1,186.00	No Indigenous Participation	Toronto - City of Vaughan
Vaughan 3 Energy Storage 1 LP	Alectra Convergent Development LP	Vaughan 3 Energy Storage 1	40	38	38	$1,028.00	No Indigenous Participation	Toronto – City of Vaughan
Walker BESS 4 Limited Partnership	Wahgoshig Solar FIT5 LP	Almonte BESS	4.999	4.749	4.749	$969.00	51% MoCreebec Eeyoud	East – Municipality of Mississippi Mills
Storage Category 2 Total			**149.969**	**142.469**	**142.469**			
Storage Category 2 weighted average price						**$1,111.06**		
Storage Total			**929.966**	**881.716**	**881.716**			

Storage Category weighted average price	**$881.09**

* Per Section 4.4(c)(i) of the E-LT1 RFP, Proposals in the Storage Category were assigned to Storage Category 2 if their Proposal Price was equal to or above the Storage Threshold Price. The Storage Threshold Price for the E-LT1 RFP was $1,000/MW Business Day. Under Section 4.6 of the E-LT1 RFP, Storage Category 2 Proposals had an opportunity to submit a Revised Proposal Price.
** The weighted average prices only include Selected Proponents. Proposals that were unsuccessful in the E-LT1 RFP are not included in the weighted average prices.

Non-Storage Category Suppliers

Proponent	Eligible Expansion Counterparty	Project Name	Technology	Nameplate Capacity (MW)	Summer Contract Capacity (MW)	Winter Contract Capacity (MW)	Fixed Capacity Payment ($/MW Business Day)	Indigenous Participation	Zone – Location
East Windsor (Expansion) L.P.	Capital Power Corporation	East Windsor Expansion	Natural Gas	106	81	100	$894.75	No Indigenous Participation	West – City of Windsor
Greenfield South Power Inc.	Eastern Power Inc	Hydrogen Ready Power Plant	Natural Gas	212.5	175	195	$1,195.00	No Indigenous Participation	West – St. Clair Township
Total				**318.5**	**256**	**295**			
Non-Storage Category weighted average price							**$1,093.22**		

* The weighted average price only includes Selected Proponents. Proposals that were unsuccessful in the E-LT1 RFP are not included in the weighted average price.

Long-Term RFP (LT1 RFP) – Final Results

Storage Category Selected Proponents

Proponent	Qualified Applicant	Project Name	Nameplate Capacity (MW)	Maximum Contract Capacity (MW)	Fixed Capacity Payment ($/MW-business day)	Indigenous Participation	Municipality	Zone
Almonte BESS Limited Partnership	Wahgoshig Solar FIT5 LP	Almonte BESS 2	9.99	9.49	$999.00	51% Algonquins of Pikwakanagan First Nation (via Indigenous Holding Vehicle AOP Almonte Holding Ltd.)	Municipality of Mississippi Mills	East
Edgeware BESS Project Limited Partnership	EDP Renewables Canada Limited	Edgeware Battery Storage Project	75.00	71.25	$888.00	50% Caldwell First Nation (via Indigenous Holding Vehicle CFN St. Thomas Holding Ltd.)	City of St. Thomas	West

Proponent	Qualified Applicant	Project Name	Nameplate Capacity (MW)	Maximum Contract Capacity (MW)	Fixed Capacity Payment ($/MW-business day)	Indigenous Participation	Municipality	Zone
Elora BESS LP	Aypa Power Canada Development LP	Elora BESS	210.53	200.00	$595.00	50% Six Nations of the Grand River (via Indigenous Holding Vehicle 15338085 Canada Limited)	Township of Centre Wellington	South-West
Fitzroy BESS Inc.	Brookfield Renewable Power Inc.	South March BESS, formerly Fitzroy BESS	265.50	250.00	$669.60	50% Algonquins of Pikwakanagan First Nation (via Indigenous Holding Vehicle AOP Fitzroy Holding Ltd.)	Ottawa	East
Hedley BESS LP	Aypa Power Canada Development LP	Hedley BESS	210.53	200.00	$617.00	50% Six Nations of the Grand River (via Indigenous Holding Vehicle 15338085 Canada Limited)	Haldimand County	South-West

Proponent	Qualified Applicant	Project Name	Nameplate Capacity (MW)	Maximum Contract Capacity (MW)	Fixed Capacity Payment ($/MW-business day)	Indigenous Participation	Municipality	Zone
North Glengarry BESS Limited Partnership	Wahgoshig Solar FIT5 LP	North Glengarry BESS	16.30	15.48	$949.00	51% Algonquins of Pikwakanagan First Nation (via Indigenous Holding Vehicle AOP North Glengarry Holding Ltd.)	Township of North Glengarry	Ottawa
Oxford Battery Energy Storage Project Inc	Boralex Inc.	Oxford Battery Energy Storage Project	125.00	118.00	$710.00	50% Six Nations of the Grand River (via Indigenous Holding Vehicle 15338085 Canada Limited)	Township of South-West Oxford	South-West
Neoen Ontario BESS 1 Inc.	Shift Solar Inc.	Tara BESS	400.00	380.00	$651.50	No Indigenous Participation	Arran-Elderslie	Bruce
Skyview BESS Limited Partnership	PR Development LP	Skyview 2 Battery Energy Storage Project	411.00	390.00	$682.00	50% Algonquins of Pikwakanagan First Nation (via Indigenous Holding Vehicle AOP Skyview Holding Ltd.)	Township of Edwardsburgh / Cardinal	East

Proponent	Qualified Applicant	Project Name	Nameplate Capacity (MW)	Maximum Contract Capacity (MW)	Fixed Capacity Payment ($/MW-business day)	Indigenous Participation	Municipality	Zone
Trailroad BESS Inc.	Brookfield Renewable Power Inc.	Trail Road BESS	159.30	150.00	$699.94	50% Algonquins of Pikwakanagan First Nation (via Indigenous Holding Vehicle AOP Nepean Holding Ltd.)	City of Ottawa	Ottawa
Storage Category Total MW			**1883.15**	**1784.22**				
Storage Category Weighted Average Price ($/MW-business day)					**$672.32**			

* The weighted average price only includes Selected Proponents. Proposals that were unsuccessful in the LT1 RFP are not included in the weighted average price.

Non-Storage Category Selected Proponents

Proponent	Qualified Applicant / Eligible Expansion Counterparty	Project Name	Technology	Nameplate Capacity (MW)	Maximum Contract Capacity (MW)	Fixed Capacity Payment ($/MW-business day)	Indigenous Participation	Municipality	Zone
Bolton Manor Resilient Generation Inc.	Cogeneration and Energy Management Engineering Inc.	Bolton Manor Rural Power Resiliency Project	Biogas	1.00	0.95	$2,380.00	No Indigenous Participation	Township of Zorra	South-West
Portlands Energy Centre L.P. (doing business as Atura Power)	Portlands Energy Centre L.P. (doing business as Atura Power)	Napanee Generating Station Expansion	Natural Gas	430.00	405.00	$1,674.01	No Indigenous Participation	Napanee	East
Walker Resilient Generation Inc.	Cogeneration and Energy Management Engineering Inc.	Walker Dairy Rural Power Resiliency	Natural Gas	4.99	4.74	$2,150.00	No Indigenous Participation	Township of Malahide	South-West
Non-Storage Category Total MW				**435.99**	**410.69**				
Non-Storage Category Weighted Average Price ($/MW-business day)						**$1,681.14**			

* The weighted average price only includes Selected Proponents. Proposals that were unsuccessful in the LT1 RFP are not included in the weighted average price.

Exhibit B - Examples of US BESS Systems in Suburban Locations

Attached.

Example Light Industrial Large BESS Projects

Purpose: Examples showing how a large BESS (>100MW) can meet local noise standards in a light-industrial setting with residential noise receptors 400m to 1000m away.

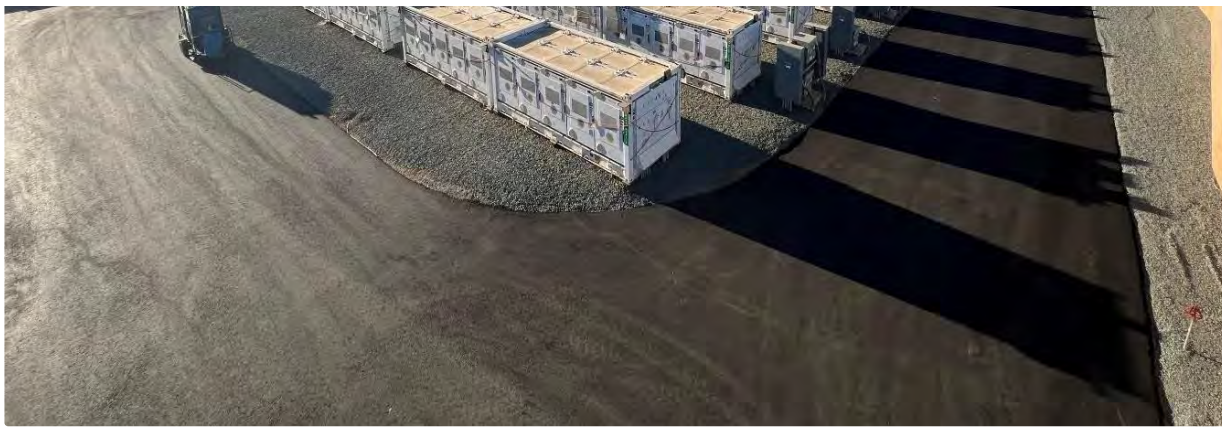
Example Project: Condor Energy 200MW Storage Project (Grand Terrace, CA)

- **Location (map):** Main St & Taylor St, Grand Terrace, CA
- **Location context:** Industrial receptors are directly adjacent; residential neighborhoods ar less than 150m away.

- **Zoning context:** M-2 (Industrial) zoning; the district's purpose is low-impact manufacturing/industrial uses operating free of objectionable noise.
- **Operational noise framework (City of Grand Terrace):**
  - Noise is regulated under GTMC Ch. 8.108 (Noise)
  - the City has recently updated the chapter via ZCA 24-04.

- **Noise study**
  - The City prepared an Initial Study/Mitigated Negative Declaration (IS/MND)
  - the IS/MND evaluated noise among environmental topics and identified *no significant unavoidable impacts with mitigation* (none specifically called out for noise in the NOI)
- **Noise-relevant site design & mitigation:**
  - **Perimeter block wall** shown on the site plan along street frontages: provides line-of-sight shielding for ground-level equipment
  - **Equipment yard layout**: inverter/transformer fields are interior to the parcel with inter drive aisles, maximizing setback from public ROWs and off-site receptors.
- **Source documents:**
  - *Notice of Intent & Site Plan (City of Grand Terrace)*
  - *Project history*

Example Project: Beaumont 100MW Energy Storage Project (Beaumont, CA)



- **Location (map):** Veile Ave & Elm Ave, Beaumont, CA
- **Location context:** Industrial setting with single-family residential areas exist across local streets in multiple directions (<200m); public road frontages allow for perimeter walls/landscaping that also function as acoustic barriers.
- **Zoning context: Industrial / Manufacturing** zoning and land-use designation on the proj parcel(s). Residential designations occur off-site across local streets

- **Operational noise framework (City of Beaumont):**
  - Base ambient limits (BMC §9.02.050):
    - Residential: 55 dBA (7 a.m.–10 p.m.), 45 dBA (10 p.m.–7 a.m.)
    - Industrial/Commercial: 75 dBA (7 a.m.–10 p.m.), 50 dBA (10 p.m.–7 a.m.)
- **Noise study / approvals status:** Secured local entitlements (**PP2021-0335**) and related agreements.
- **Noise-relevant design & mitigation measures (fit for Notion):**
  - **Perimeter sound wall / architectural block wall** along street frontages to break line- sight from fans/PCS/aux HVAC to public ROW and nearby homes; match Business/Industrial design standards.
  - **Equipment layout to favor the industrial edge:** Place station transformer(s), mediun voltage equipment, and inverter/PCS banks interior to the yard
  - **Vendor specs & modeling:** Specify low-noise BESS enclosures and cooling (e.g., variable-speed fans) and run an **operational noise model** to demonstrate compliance with **BMC §9.02** at the **project boundary** and at the closest residential façades. Use barrier insertion loss and 6 dB per distance-doubling attenuation assumptions,

consistent with standard practice.

Source documents:

- *City site plan (Figure 5): Beaumont Energy Storage Project — Preliminary Site Plan (Veile Ave / Elm Ave).* beaumontca.gov
- *City noise standards/background: Beaumont General Plan EIR — Noise section (summari BMC §9.02.050 base ambient table & construction provisions).* beaumontca.gov

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Example Project: Pome Energy 100MW Storage Project (Powa CA)

- **Location (map):** 13830–13790 Danielson St, Poway, CA — within the South Poway Busine Park;
- **Location context:** ~4-acre light-industrial parcel with immediate industrial/commercial

receptors

- **Zoning/context:**
  - South Poway Specific Plan — Light Industrial/Storage (LI/S);
  - City filed a CEQA Notice of Exemption for the BESS at this address. CEQAnet
- **Operational noise limits (City of Poway):**
  - < 70 dBA (hourly) at industrial parcel boundaries

- **Noise study / modeling status**
  - An independent Noise & Vibration Analysis (May 2023) concluded construction and operational noise would be less than City/FTA standards for the surrounding commercial/industrial environment.
  - Operational compliance is to be demonstrated at the project boundary; equipment includes 112 utility-scale BESS units, integrated PCS, and a step-up substation.
- **Noise-relevant design & mitigation measures**
  - Place station transformer and inverters interior to the parcel, maximizing setback fror ROWs and the nearest off-site receptors;
  - Decorative **block/sound walls** along public frontages to break line-of-sight to equipm yards, consistent with Business Park aesthetics.

Source documents:

- *Financing/technical overview (layout, gen-tie, permits, noise study summary): Certificatic & Financing Proposal:*

  Pome BESS - City of Pome - Financing Report.pdf 1 MiB

Example Project: Nighthawk Energy 300 MW Storage Project (Poway, CA)

- **Location (map):** 13400 Kirkham Way, Poway, CA
- **Location context:** Light industrial area with industrial receptors in immediate area and residential receptors ~1000m away
- **Zoning context:** Site adjoins light industrial uses; open space to the west.
- **Operational noise limits (City of Poway):**
  - 70 dBA (hourly) at industrial parcel boundaries;

    - 55 dBA (hourly) where the boundary abuts open space to the west;
    - 45 dBA (hourly) at residences

- **Noise modeling**
    - Modeling of 330 BESS enclosures, 83 MV transformers, and 1 HV transformer
    - ≤ 53 dBA at all property lines—compliant with City of Poway exterior limits
    - Noise at residential receptors was *less than significant* (i.e. did not materially contribu to baseline noise)
    - A 12-ft masonry wall around the site was included in the model assumptions.
    - use low-noise BESS enclosures with optimized cooling fan duty (e.g., 40% typical) ar locates major transformers and inverters away from sensitive edges.
- **Source documents:**
    - *Nighthawk Energy Storage Project – Operational and Construction Noise Analysis* (Fe 21, 2024).

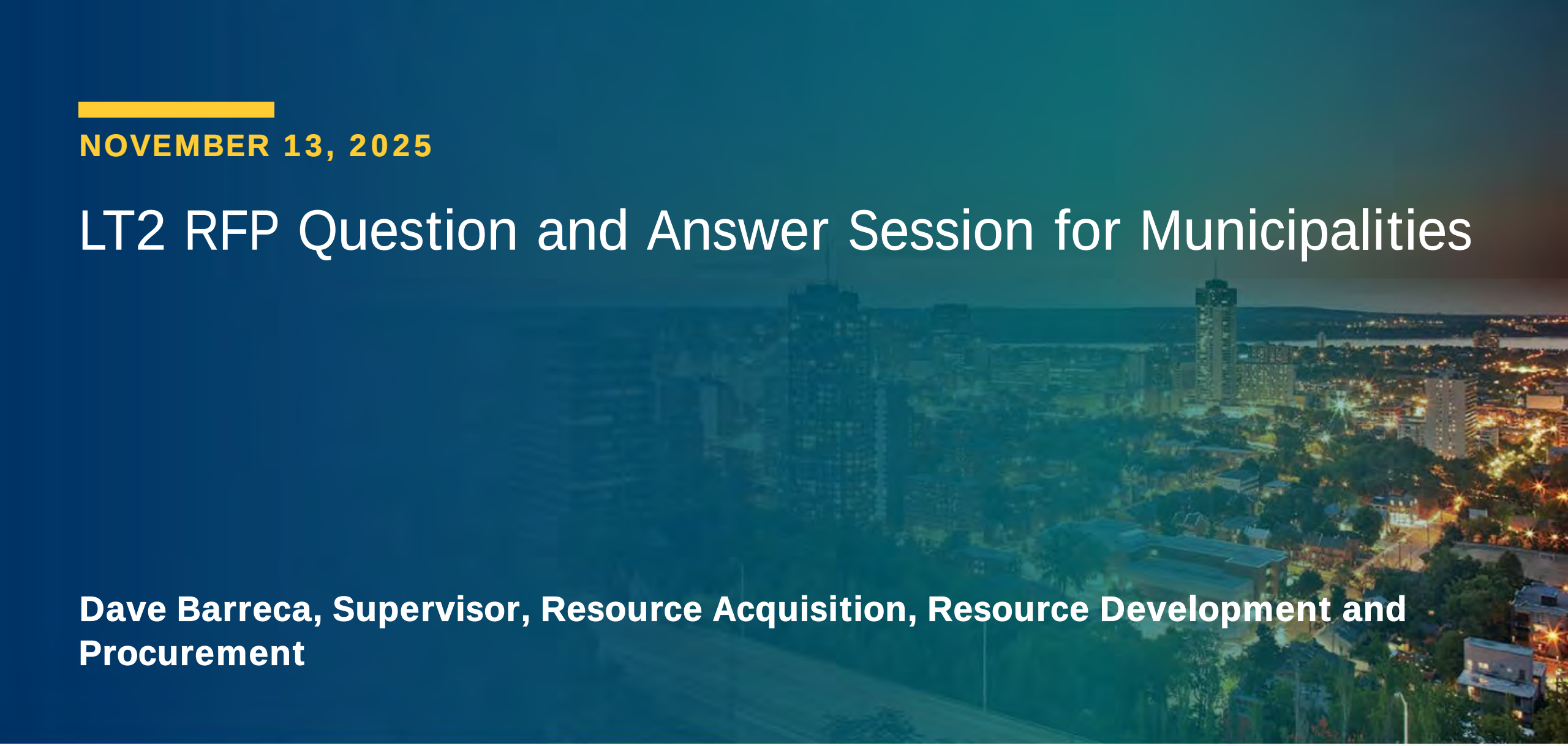
      Nighthawk BESS - City of Poway - Noise Analysis .pdf 5 MiB

Exhibit C - Presentation from IESO Municipal Q&A Session (Nov 13, 2025)

Attached.

NOVEMBER 13, 2025

LT2 RFP Question and Answer Session for Municipalities



Dave Barreca, Supervisor, Resource Acquisition, Resource Development and Procurement

ieso
Connecting Today. Powering Tomorrow.

Territory Acknowledgement

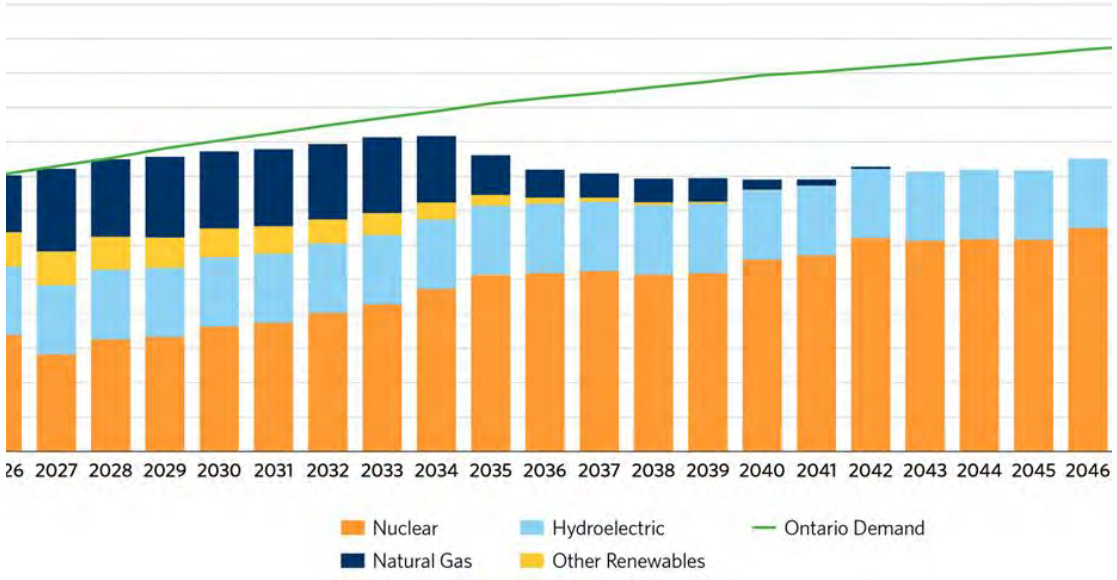
The IESO acknowledges the land from where we are delivering today's webinar is the traditional territory of many nations including the Mississaugas of the Credit, the Anishnabeg, the Haudenosaunee and the Wendat peoples, and is now home to many diverse First Nations, Inuit and Métis peoples. We also acknowledge that Toronto is covered by Treaty 13 with the Mississaugas of the Credit First Nation.

As we have attendees from across Ontario, the IESO would also like to acknowledge all the traditional territories across the province, which include those of the Algonquin, Anishnabeg, Ojibwe, Cree, Oji-Cree, Huron-Wendat, Haudenosaunee, Métis, and Inuit peoples.

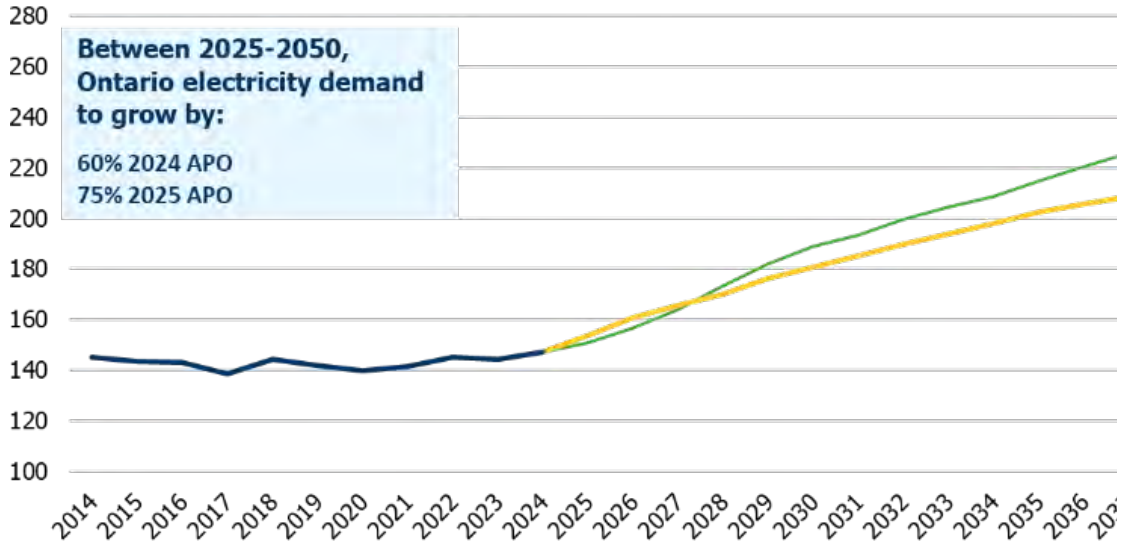
Agenda

1. Ontario's Electricity Landscape & Overview of the Long-Term 2 Request for Proposal
2. Municipal Role and What to Expect
3. Discussion
4. Appendix - Summary of Key Municipal Questions and Answers

Ontario's Changing Electricity Landscape



Energy Adequacy Outlook



Historical and Forecasted Demand

Overview of the LT2 RFPs

- In November 2024, the Ontario government issued a Directive, amended in June 2025, instructing the IESO to launch the Long-Term 2 Request For Proposals (LT2 RFPs). The LT2 RFP will have two streams, an energy stream and a capacity stream.
- Designed as a series of stand-alone procurements (Windows) that aims to procure up to 14 TWh of energy producing resources, and up to 1600 MW of capacity resources. The targets for Window 1 of the energy stream is 3 TWh and for Window 1 of the capacity stream is up to 600 MW.
- Final documents for the LT2 RFPs Window 1 were posted to Long-Term 2 RFP on June 27, 2025. Proposal Submission Deadline for **Window 1 capacity stream is December 18, 2025.** Proposal Submission Deadline for **Window 1 energy stream was October 16, 2025**.
- Design elements include the following policies, based on government direction:

Municipal Support Resolutions ahead of proposal submission

All resource types are eligible to participate

Building on **Indigenous Participation** success

Project **siting in Northern Ontario** incented

Protections for **Prime Agricultural Areas**

Canadian-Status Proponents incented

Enabling Projects on **Crown Land**

The Important Role of Municipalities

- Ontario needs an electricity system for lasting prosperity — a system that delivers for the province and powers our growth. More electricity infrastructure must be built across communities in the province in a timely manner.
- Municipalities 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.
- Your input and feedback has informed the design of the LT2 procurement documents and resources:
  - ✓ Streamlined the municipal support confirmation process, empowering municipal decision-making.
  - ✓ Collaborated with partners to develop asked-for resources such as the LT2 Municipal Guide, the sample Pre-Engagement Confirmation Notice [see the LT2 Municipal Guide for samples as part of the Evidence of Municipal Support document], the Agricultural Impact Assessment Q&A document, and the OMAFA Guidelines for the AIA Component One Requirement and OMAFA Guidelines for the LT2 AIA Components Two and Three Requirement.
  - ✓ Continued to engage with municipalities through conferences, webinars and one-on-one engagement.
- The IESO is committed to continuing our engagement with municipalities as work progresses, and we welcome your feedback and involvement in these important matters.

Resources

The following provides some **IESO resources** related to the LT2 RFP that can assist municipalities with the process. Links to more resources can be found in the LT2 Municipal Guide:

- LT2 Municipal Guide – contains information to help municipalities with the process
- LT2 RFP Webpage – this includes RFP, Contract and prescribed forms and links to stakeholder and community engagement webpages
- Government Directive and amendment: November 2024 (Directive to launch the LT2 RFP) and June 2025 (amendment to the Directive)
- LT2 AIA QA V4
- June 6, 2024, joint letter from Ministry of Energy and Ministry of Agriculture, Food and Rural Affairs outlining the considerations to protect Prime Agricultural Lands and Speciality Crop Areas as part of the IESO's LT2 RFP

Partner Resources:

- OMAFA Guidelines for the LT2 AIA Component One Requirement and OMAFA Guidelines for the LT2 AIA Components Two and Three Requirement.
- Technical Standards & Safety Authority in Ontario focuses on public safety within the energy sector by ensuring the safety of energy-related infrastructure and operations
- Electrical Safety Authority regulates and promotes electrical safety in Ontario

What to Expect

Municipalities and Proponents will need to work closely before the LT2 RFP proposal is submitted to the IESO to ensure that it is complete and can be considered by the IESO. More details are in the LT2 RFP Municipal Guide.

Pre-Engagement Confirmation Notice	Must be provided by the Proponent to the Local Municipality at least **60 days prior to Proposal Submission Deadline.**	Initiates formal engagement between the municipality and the proponent. Begins the process of **developing a collaborative engagement plan to suit the needs of the community.**
Confirmation of Land-Use Designation	**Municipality is responsible** for confirming the land-use designation of the proposed project site.	**Projects proposing to locate on agricultural lands will be subject to additional requirements**. *See slide 8 for more details*.
Municipal Support Confirmation (MSC)	**Mandatory requirement of the LT2 RFP.** Municipalities decide whether to issue 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 MS Confirmation Letter.	The MSC confirms that the municipality supports the submission of the proposal to the IESO. It does not impact or change any approvals, permits or requirements the project may be subject to (e.g. environmental permits). It is not a guarantee of an IESO contract award.
Contract Award and Beyond	Both the **Selected Proponent and the municipality** work together during project development and commercial operation.	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.

Need-to-Know: Projects Located on Agricultural Land

Land Use Confirmation

- Developers must request confirmation from the municipality regarding the land use designation of proposed project sites; Prime Agricultural Areas are defined by the Provincial Planning Statement (2024) and designated through the Local Municipality's Official Plan.

Prohibited Projects

- **No new** electricity projects are permitted in **Specialty Crop Areas; ground-mounted solar projects** are **prohibited** in **Prime Agricultural Areas**.

Permitted Projects (with conditions)

- Other eligible projects proposing to locate in a Prime Agricultural Area (e.g., wind, bioenergy, energy storage) may proceed **only if** an **Agricultural Impact Assessment (AIA)** is completed by the Proponent/Selected Proponent and reviewed to the satisfaction of the Local Municipality.

Agricultural Impact Assessment (AIA)

- **Component One (avoid)** must be completed **before proposal submission; Components Two and Three (minimize & mitigate)** must be completed **within 18 months of Contract award**.
- The **Local Municipality** is responsible for **reviewing and confirming** that AIA requirements are met.

Questions related to projects on Agricultural Land should be directed to OMAFA: ag.info.omafa@ontario.ca

Next Steps

- Proposal Submission deadline for the **capacity stream is December 18, 2025**.
  - Note: the Proposal Submission deadline for the **energy stream was October 16, 2025.**
  - Questions about the LT2 RFP can be directed to CommunityEngagement@ieso.ca
- LT2 RFP Window 2 design began Q3 2025 with future community engagement TBD.
- To stay informed, subscribe to receive email communications at www.ieso.ca/subscribe.

Q&A

Thank You

STAY INVOLVED

- Learn more at www.ieso.ca/learn
- Subscribe to updates at IESO.ca/subscribe
- Download the IESO's Municipal Toolkit
- Join an engagement

CONTACT

- IndigenousRelations@ieso.ca
- CommunityEngagement@ieso.ca

FOLLOW

- LinkedIn.com/company/IESO
- @OntarioIESO
- LinkedIn.com/showcase/SaveOnEnergy-Ontario
- @SaveOnEnergy

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Appendix

Disclaimer

This presentation and the information contained herein is provided for informational purposes only. The IESO has prepared this presentation based on information currently available to the IESO and reasonable assumptions associated therewith, including relating to electricity supply and demand. The information, statements and conclusions contained in this presentation are subject to risks, uncertainties and other factors that could cause actual results or circumstances to differ materially from the information, statements and assumptions contained herein. The IESO provides no guarantee, representation, or warranty, express or implied, with respect to any statement or information contained herein and disclaims any liability in connection therewith. In the event there is any conflict or inconsistency between this document and the IESO market rules, any IESO contract, any legislation or regulation, or any request for proposals or other procurement document, the terms in the market rules, or the subject contract, legislation, regulation, or procurement document, as applicable, govern.

Municipal Sector Summary: LT2 RFP FAQs & Comments

Prime Agricultural Areas (PAA)

- **Definition Alignment**: Prime Agricultural Areas are defined by the *Provincial Planning Statement (2024)* and designated through the **Local Municipality's Official Plan**.
- **AIA Requirement**: Projects in Prime Agricultural Areas (excluding ground-mounted solar, which is prohibited) must complete an **Agricultural Impact Assessment (AIA)** to the satisfaction of the Local Municipality.
- **Rated Criteria Points**: Proposals **not located** in Prime Agricultural Areas are eligible for **3 Rated Criteria Points**.

Municipal Support Confirmation (MSC)

- **Mandatory for Municipal Lands**: All proposals with projects in part or wholly on municipal lands must include a MSC as part of proposal submission.
- **Draft vs. Final Forms**: If a municipality used a **draft version** of the MSC form that omitted AIA Component One, and the proposed project is located in a PAA, a **supplementary resolution** is required confirming AIA Component One Requirement completion.
- **Upper-Tier vs. Lower-Tier**: MSC, Pre-Engagement Confirmation Notices and AIA requirements apply to **lower-tier and single-tier municipalities**. Upper-tier municipalities may be involved in confirming land use designations or during permitting.

Municipal Sector Summary: LT2 RFP FAQs & Comments

Community Engagement

- **Empowering Municipalities**: The IESO removed prescriptive engagement activity requirements. Municipalities **set their own standards** for community engagement to best suit the needs of their community.
- **Pre-Engagement Notice**: Must be delivered at least **60 days before proposal submission**. It initiates dialogue with the municipality.

Land Use and Zoning

- **Zoning Compliance**: Not required at proposal submission but must be addressed before construction. Zoning amendments may be needed post-award.
- **Land-Use Designation**: This is the designation in place on the proposed project site at time of Proposal submission.

Municipal Sector Summary: LT2 RFP FAQs & Comments

Unincorporated Territories

- **No MSC Required**: Projects **wholly located** in Unincorporated Territories do **not require** a Municipal Support Confirmation.
- **Land Use Planner Letter**: Required to confirm whether the Project Site is designated as Prime Agricultural Area.

Crown land within Municipal Boundaries

- **MSC Required:** Projects located in whole or in part on Crown land within Municipal boundaries requires a Municipal Support Confirmation; there is a process related to siting projects on Crown lands, and project developers should contact the Ministry of Natural Resources at MNRFRenewableEnergySupport@Ontario.ca for more information.

Municipal Proposal Participation

- **Eligibility:** Municipalities or municipally owned entities can submit proposals if they meet financial and team member experience requirements.