

Energy procurement will ensure long-term affordability as electricity demand forecasts to rise 60 per cent by 2050

The Ontario government is launching the largest competitive energy procurement in the province's history, focused on generating affordable electricity for families and businesses.

This builds on the province's plan to procure up to 5,000 megawatts (MW) of energy through a series of procurements to help foster economic prosperity and meet the growing demand for clean and reliable energy.

Making the announcement in King last week, Minister of Energy and Electrification Stephen Lecce noted the plan of action calls for more affordable energy, supporting Ontario's diverse supply mix including nuclear, hydroelectric, renewables, natural gas, and biomass.

“With energy demand growing rapidly, our government is stepping up by advancing our largest energy procurement in our history. Our ‘all-of-the-above’ energy resource approach will expand access to affordable electricity to families and businesses across Ontario while opposing the regressive carbon tax,” said Stephen Lecce, Minister of Energy and Electrification.

The Minister's letter to the Independent Electricity System Operator (IESO) outlines that the procurement should be transparent, competitive, and cost-effective to secure technology-agnostic energy resources, including wind and solar. This includes explicit directions to protect prime agricultural areas. The Minister is also requesting that the IESO bring options to expedite delivery of the procurement to help meet growing demand.

“I was pleased to attend Minister Lecce's announcement at Kinghaven Farms, where the province unveiled plans for Ontario's largest-ever competitive energy procurement. Kinghaven Farms is a true renewable energy champion, leading the way right here in Ward 2, King Township. I was fortunate to tour their state-of-the-art greenhouse under construction and was blown away by the sustainable energy innovations they've integrated into their operations,” said Councillor David Boyd.

The Second Long-Term Procurement (LT2) will plan future energy initiatives in communities that provide consent while protecting prime agricultural areas, including:

- Requiring energy project developers to receive municipal support resolutions to ensure local support and consent for new projects;
- Prohibiting all projects in specialty crop areas and ground-mounted solar in prime agricultural areas to prevent solar farms;
- Incentivizing projects located in northern Ontario and those which avoid prime agricultural areas, along with a plan to unlock Crown Lands for renewable energy;
- Incentivizing economic opportunities for projects with or by Indigenous communities on whose traditional territory the projects are proposed;
- Requiring Agricultural Impact Assessments for projects that are permitted on all prime agricultural areas.

“This historic plan will deliver the new electricity our dynamic province and growing agricultural sector will need while protecting farmland,” said Rob Flack, Minister of Agriculture, Food, and Agribusiness. “By requiring municipal support resolutions and Agricultural Impact Assessments for new energy projects, banning solar farms on prime farmland and crop areas, and promoting new projects in the North, we've secured a four-tier lock to ensure a balance between our energy needs and the needs of our farmers.”

To advance Ontario's expanded electricity needs, the IESO is expected to report back with a procurement design framework by

September 20 and consider how to conclude energy and capacity procurements by February 28, 2026. The accelerated timelines will ensure that Ontario can continue to support large-scale investments that require a clean and reliable energy supply to create well-paying jobs across the province.

By launching a competitive procurement framework, the government is ensuring long-term affordability for Ontario's ratepayers and businesses. This procurement also builds on the government's recent procurement of nearly 3,000 MW of new battery storage projects ranging from five to over 400 MW in capacity.

"Our forecasts show that Ontario will need more resources to meet demand as our population and economy grows and continues to electrify," said Lesley Gallinger, Chief Executive Officer of the Independent Electricity System Operator. "We've been engaging with the sector and communities, and with this accelerated timeline, we are ready to move quickly to secure supply from all eligible technologies."

The IESO has forecast that by 2050, Ontario's electricity consumption will rise by 60 per cent. This demand stems primarily from Ontario's rapid increase in population, new manufacturing facilities, advanced technologies like artificial intelligence (AI) data centres, the electrification of industry, and the charging energy required for electric vehicles.

The IESO has recommended cadenced procurements of approximately 5,000 MW of new electricity resources to be procured by 2034.

"AMO commends the province for investing in clean energy and empowering municipalities to assess the suitability of energy projects for our communities. Energy is essential for our prosperity. Municipalities look forward to seeing the IESO's procurements deliver the clean, reliable and affordable energy needed to power more homes and businesses," said Robin Jones, AMO president and Mayor of Westport.

"CanREA welcomes Minister Lecce's announcement. The coming procurement of 5GW of new energy projects including wind and solar is great news. Low-cost, quickly deployable and reliable non-emitting projects are a critical part of the solution for Ontario's growing energy needs. Across Canada, CanREA members have been successful in building and operating renewable energy and energy storage projects in partnership with project stakeholders and rights holders, including Indigenous communities, municipalities, landowners and farmers. Together, we will build the affordable, reliable and clean energy system that Ontarians need, expect and deserve," added Vittoria Bellissimo, president and CEO, Canadian Renewable Energy Association (CanREA).