



700 University Avenue, Toronto, Ontario M5G 1X6

January 17, 2018
IESO Stakeholder Engagement

Feedback on the Upcoming Request for Information - Non-Emitting Resources

OPG appreciates the opportunity to submit the following comments on the webinar and information session delivered on December 21, 2017 to discuss the upcoming Request for Information for Non-Emitting Resources (RFI) and its interaction with the Non-emitting Resource Subcommittee (NER-SC) of the Market Renewal Working Group (MRWG).

RFI Schedule and Process

The objective of Phase 1 of the RFI is to provide information on the type of products and services that can be provided from non-emitting projects and the potential barriers to their participation in the market. It is OPG's understanding that this information will support the work of the NER-SC and should be discussed by the sub-committee and summarized in its final report. There needs to be sufficient time between the deadline for the Phase 1 submission (mid-Q2 2018) and the final report (end of Q3 2018) for the group to review the information, analyze, apply the high level designs from the Market Renewal workstreams, seek additional direction from the MRWG (as needed) and provide recommendations. The timeframe may be challenging as members in this specialized sub-committee may not be actively following the details of the Market Renewal workstreams and design issues with market operations.

In order to advance understanding and dialogue on these issues, the proposed technical conference could be designed as a working session with smaller break-out groups. Interactive discussion to debate and solve issues is more effective than the delivery of presentations.

Scope

The NER-SC final report would benefit from some of the information to be requested under Phase 2 - currently there is no overlap as the Phase 2 submission deadline is scheduled after the delivery of the report to the MRWG. As an example, Phase 2 will request information on development / construction and timelines. This item could be advanced to Phase 1 as an understanding of the lead time required and difficulties in the development and construction of projects could: influence the term for the forward period in the Incremental Capacity Auction (ICA); clarify the type of resources that would be expected to compete in this type of auction and the potential need for re-balancing or spot designs; and provide support on the

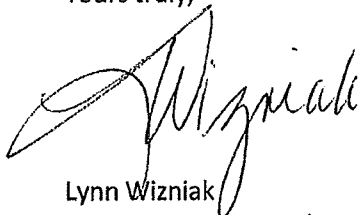
type and timing of alternative mechanisms that may need to exist alongside the ICA to procure Ontario's capacity needs.

Further it's unclear on how the Market Renewal Project would benefit from a two phased RFI and the submission of non-binding project financial data. Project cost data would be illustrative at best and may not provide surety to enable investment decisions in the near term for procurements in the mid to longer term

For these reasons, OPG recommends that the RFI be issued in one phase and the information requested in Phase 1 and 2 consolidated. In addition, the submission timeframe should be compressed to provide feedback to the NER-SC by mid-Q2 in order for the sub-committee to use this in their work.

OPG looks forward to working with the IESO and other stakeholders to optimize the participation of non-emitting resources in the Market Renewal designs.

Yours truly,

A handwritten signature in black ink, appearing to read 'Lynn Wizniak', written in a cursive style.

Lynn Wizniak
Senior Manager, Market Affairs
Ontario Power Generation
Telephone: 416-592-7211
Email: l.m.wizniak@opg.com