

Feedback Form

Annual Acquisition Report

Public Information Session – April 8, 2022

Feedback Provided by:

Name: Emma Coyle

Title: Director, Regulatory & Environmental Policy

Organization: Capital Power Corporation (“Capital Power”)

Email: [REDACTED]

Date: April 27th, 2022

Following the April 8^h public information session on the Annual Acquisition Report (AAR), the Independent Electricity System Operator (IESO) is seeking feedback from participants on a variety of questions and details included in the report and session on April 8 to help further inform the path forward on meeting the needs identified in the AAR.

The referenced presentation can be found on the [AAR webpage](#).

Please provide feedback by **April, 27 2022 to engagement@ieso.ca**. Also, please feel free to send any questions or request for clarification on the AAR in advance of the April 20 engagement session. This will ensure the IESO is prepared to help inform stakeholder feedback before the April 27 deadline.

Same Technology Expansions

| Topic | Feedback |
|--|--|
| <p>What procurement/negotiation timelines (i.e., contract execution) and forward period would be required to support a 2025 in-service date?</p> | <p>In order to facilitate a 2025 in-service date contracts should be executed by the end of September 2022. This execution timeline is necessary to support cost-effective procurement and mitigation of supply chain risks.</p> <p>Capital Power notes that in the March 31st Ministerial Directive, the Minister of Energy has directed the IESO to “<i>enter into an agreement with Lake Erie LP governing the potential reimbursement by the IESO of certain amounts in respect of Lake Erie LP’s procurement of the transmission line cable of the Project.</i>” If the IESO expects it won’t be able to meet timelines recommended here, similar agreements may be necessary to facilitate both facility expansions and expedited procurements with 2025 in-service dates.</p> <p>Negotiation timelines are more difficult to predict, as these depend on the positions of the negotiating parties. The Ministerial Directive regarding the Lake Erie Connector suggests that negotiation timelines will require prioritization and active management in order to facilitate 2025 service dates. Considering the existing compressed timelines and evolving external factors, Capital Power considers it prudent to begin negotiations as soon as possible.</p> |

| Topic | Feedback |
|--|---|
| <p>Is there any other external support (e.g., from the IESO) that would be needed to help proponents meet expedited development timelines?</p> | <p>Capital Power respects that the IESO considers permitting to be the exclusive purview of government, and therefore an area in which it has no influence. Capital Power urges the IESO to thoughtfully consider its role in this respect.</p> <p>It is entirely reasonable for the IESO, as system planner and the sole buyer of electricity resources, to consider and anticipate the effects of the regulatory framework on resource development. It is also important that the IESO establish, for itself, reasonable assurance that the regulatory and permitting framework will not prevent or frustrate development activity, assuming prudent and commercially reasonable development timelines.</p> <p>Meeting both 2025 and 2027 in-service dates will require both developers and the IESO to work together to understand and mitigate risks caused by the permitting framework. Given the IESO's central role in planning and procurement - a role that requires an understanding of permitting processes and timelines - Capital Power recommends the IESO take an active role in establishing clarity with respect to permitting requirements and timelines at existing and future sites. If it becomes apparent that the framework will prevent resources from meeting 2025/2027 in-service deadlines, both the IESO and stakeholders must work together to communicate and resolve issues preventing the needed development of energy resources in the province.</p> |
| <p>What considerations should be given for community engagement and/or indigenous participation?</p> | <p>No additional comments at this time.</p> |

Forward Capacity Auction

| Topic | Feedback |
|---|---------------------------|
| Expanded participation and eligibility for resources | No comments at this time. |
| Demand curve parameters | No comments at this time. |
| Interactions with the annual capacity auction including target capacities | No comments at this time. |
| Input into the design of longer commitment periods | No comments at this time. |
| Other business/engagement/participation considerations associated with longer forward periods | No comments at this time. |

Expedited Procurement

| Topic | Feedback |
|---|---|
| What incentives are sufficient to encourage expedited project development to meet the 2025 needs (e.g., term length, pricing adders, reduced RFP requirements)? | <p>Capital Power has previously commented that 15-year contract terms will attract and support investment. Term requirements may be impacted by the type of resource being procured, particularly as the negotiation and contract execution timeline become more compressed.</p> <p>The most important incentive to encourage project development to meet 2025 needs is the successful execution of a contract in accordance with the timelines already communicated above and through previous feedback.</p> |
| What procurement timelines (i.e., contract execution) and forward period would be required to support a 2025 in-service date? | In order to facilitate a 2025 in-service date contracts should be executed by the end of September 2022. This execution timeline is necessary to support cost-effective procurement and the mitigation of supply chain risks. |

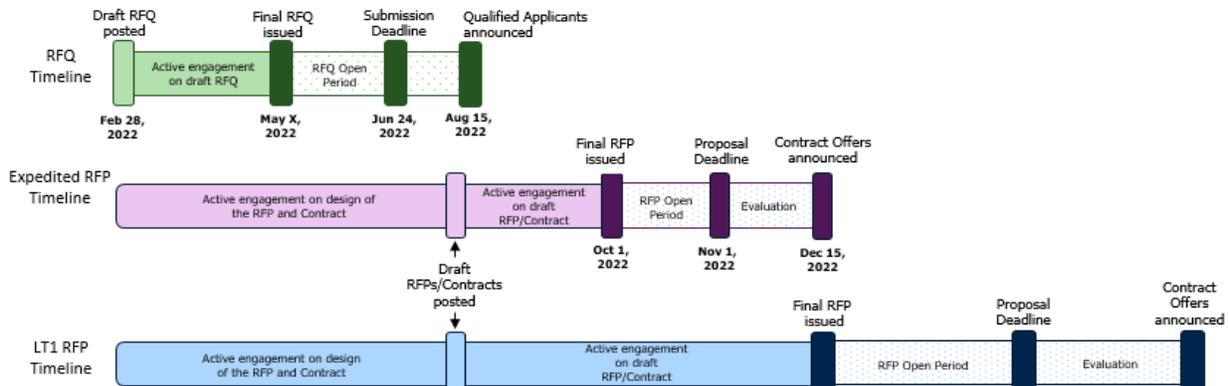
| Topic | Feedback |
|---|--|
| Is there any other external support (e.g., from the IESO) that would be needed to help proponents meet expedited development timelines? | Please see responses to this question in the context of same-technology expansions, noted above. |
| What considerations should be given for community engagement and/or Indigenous participation? | No additional comments at this time. |

General Comments/Feedback

This section can include insight on the proposed additional mechanisms including:

- Whether these are the right mechanisms to support in-service dates of 2025/26?
- Are the proposed timelines for the expedited process achievable?

Expedited and LT RFP Procurement Timelines*



The IESO's question to stakeholders is whether the timelines are achievable, and under some circumstances they are. The timelines are also aggressive. Capital Power suggests the more important question is whether these timelines are *reasonably* achievable. For the reasons set out in our comments here and on previous occasions, the reasonableness of the timelines will continuously be impacted by internal and external factors. Given the nature and size of the resource need for 2025, it is becoming arguably less reasonable to rely on any timeline that does not seek to accelerate procurement and mitigate project delivery risk while preserving the fundamental elements of a competitive process.

Capital Power recommends the IESO accelerate these timelines so that its in a position to execute contracts for resources with 2025 in-service dates by the end of Q3 2022 (September 30, 2022).

LTRFP 1 timelines appear reasonably achievable.