

Feedback Form

Annual Acquisition Report

Public Information Session – April 8, 2022

Feedback Provided by:

Name: Shaheer Aziz

Title: Sr. Director Business Development

Organization: Hydrostor Inc.

Email: [REDACTED]

Date: 4-25-2022

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
What procurement/negotiation timelines (i.e., contract execution) and forward period would be required to support a 2025 in-service date?	
Is there any other external support (e.g., from the IESO) that would be needed to help proponents meet expedited development timelines?	
What considerations should be given for community engagement and/or indigenous participation?	

Forward Capacity Auction

Topic	Feedback
Expanded participation and eligibility for resources	
Demand curve parameters	
Interactions with the annual capacity auction including target capacities	
Input into the design of longer commitment periods	
Other business/engagement/participation considerations associated with longer forward periods	

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)?	
What procurement timelines (i.e., contract execution) and forward period would be required to support a 2025 in-service date?	

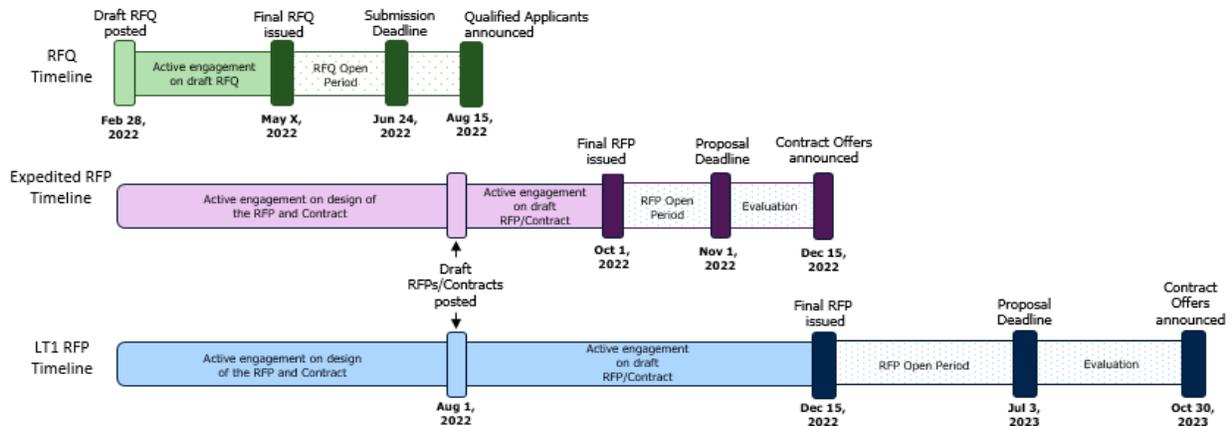
Topic	Feedback
Is there any other external support (e.g., from the IESO) that would be needed to help proponents meet expedited development timelines?	
What considerations should be given for community engagement and/or Indigenous participation?	

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*



*All future dates are tentative: 2022 and 2023 timelines are not to scale.

General Feedback (expand this text box as required):

Thank you to the IESO for providing a detailed annual acquisition report. The report allows developers to start thinking about some of the challenges our electricity is facing and how we can tackle them together. Hydrostor has prepared two key points of feedback, which we believe will enable the province to increase cost-effectiveness and reliability across the Ontario grid.

Firstly, the annual acquisition report mentions a second long-term RFP is anticipated to require an additional 1,500 MW by 2030. The report specifically mentions that the future long-term RFPs will focus on longer lead time technologies and will work to better accommodate development times. Unfortunately, the report does not provide specific guidance on the timeline of future long-term RFPs. To ensure that Ontario ratepayers have access to the lowest-cost technologies, the IESO should work to release details regarding the next long-term RFP immediately. In addition, to meet the IESO's goal of supporting long-lead-time technology and developments, developers working on large-scale projects need this critical piece of direction to inform their investors and invest in the province. Without the release of the secondary RFP for 1,500 MW by Q1, 2023, and contract award by Q1, 2024, the IESO is at significant risk of missing out on large scale, long-lead-time projects which will provide Ontario ratepayers the lowest cost.

Secondly, the annual acquisition report has a specific section related to the Duration of Resource Adequacy Risk Periods. Within the section, the report starts that 25% of risk events persist for 8 and up to 16 hours and 25% of events persist for more than 16 hours. As such, there is a clear need for a long-duration capacity of at least 8 hours within the province by 2030. As such, Hydrostor recommends that the IESO consider making 50% of the LTRFP1 capacity requirements have a duration requirement of 8-hours or more. Further, 100% of the 1,500 MW capacity to be procured through future LTRFPs should have a duration of 8-hours or more to meet the pressing needs of the province. Technologies such as Advanced Compressed Air Energy storage have the capability of providing a longer duration of up to 12-hours at a cost-effective price for Ontario Ratepayers. For these long-lead-time technologies, specific procurement carveouts need to be completed to ensure that these technologies are being rewarded for the additional benefits they are providing the grid. These specific capacity carve-outs will enable developers to specifically develop projects suited to meet the reliability needs of the province. Without carving out the specific longer duration needs, the projects developed will not meet the duration requirements of the province and the province will risk not just reliability issues but will contract high-cost assets with lower durations.