

Feedback Form

Gas Phase-Out Impact Assessment – May 27, 2021

Feedback Provided by:

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Date: June 7, 2021

To promote transparency, feedback submitted will be posted on the Gas Phase-Out Impact Assessment webpage unless otherwise requested by the sender.

Please provide feedback by June 17, 2021 to engagement@ieso.ca. Please use subject:
Feedback - Gas Phase-Out Impact Assessment

Questions

Topic	Feedback
Are there additional considerations the IESO has not identified in defining the scope of the assessment to examine the reliability, operability, timing, cost and wholesale market implications of reduced emissions on the electricity system?	Please see below.

General Comments/Feedback

From Slide 17 of IESO's May 27, 2021 presentation entitled *Gas Phase-Out Impact Assessment*:

Gas Generation – Contract Term

Much of Ontario's current natural gas-fired generation is under contract

8,000 MW will reach contractual term by 2030

The balance of gas-fired generation contracts will expire by 2040

Absent a contractual termination right, it is difficult to estimate the costs of early termination of a contract

IESO should not discount the possibility that some of the gas-fired generation which is under contract until 2030 or later may be willing to entertain discussions for an early termination, even in the absence of any contractual termination right. Voluntary termination could be achieved at little to no cost in some cases, or at least at a negotiated and specified cost in some others.

The suggestion that "*it is difficult to estimate the cost of early termination of a contract*" is only true because IESO has not yet asked gas-fired generators if they would be interested or willing to voluntarily terminate their contracts.

IESO should, in the initial stages of this Gas Phase-Out Impact Assessment, engage in a discussion with those generators to find out if any would be willing to consider early termination, and if so, whether there are, at a very high level, any obstacles, terms, conditions or costs that would be involved in doing so.

Absent such an enquiry, IESO would be basing this entire Assessment on the "significant assumption" that any phase-out is bound by the constraints of existing contracts (which assumption is stated as being "built in to the analysis" on Slide 27). That significant assumption might not in fact be correct, thus compromising the entire premise of the Assessment.