Feedback Form

Local Generation Program – June 5, 2025

Feedback Provided by:

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Existing contract number (if applicable): N/A

Email: [redacted]

Date: June 19, 2025

Following the June 5, 2025 webinar to provide an update on the Local Generation Program (LGP), the IESO is seeking feedback on the high-level design of the recontracting stream of the LGP

The referenced presentation and supporting materials can be found under the June 5, 2025 entry on the Local Generation Program webpage.

To promote transparency, feedback submitted will be posted on the Updates to IESO Monitoring Requirements: Phasor Data engagement page unless otherwise requested by the sender. If you wish to provide confidential feedback, please mark "Yes" below:

- ☐ **Yes – there is confidential information, do not post**
- ☑ **No – comfortable to publish to the IESO web page**

Please provide feedback by June 19, 2025 to engagement@ieso.ca. Please use subject: *Feedback: Local Generation Program*.

General Questions for Existing Facilities / Suppliers:

1. Have you been following the IESO Medium and Long Term Procurement engagement sessions and or been reviewing those RFPs, and contracts etc?

   Yes

2. Were you aware of ERP before todays presentation?

   Yes

3. Which IESO offers are you most interested in for your facilities? Why?

   LGP and LT2

4. Do you need more information about the different IESO offers to make a decision? What information do you need?

   Yes, see feedback below.

5. What if any thoughts do you have around your larger (>1MW) facilities participating in the IESO electricity market?

   The IESO is rightfully seeking to utilize Distributed Energy Resources (DERs) to provide cost-effective energy and capacity to ratepayers in a timescale aligned with provincial needs. DERs include small utility-scale, distribution-connected generation and storage. The Local Distribution Companies require significant capability improvements to realize the full potential of DERs.

6. What are the top 3 reasons you might be interested in an opportunity through LGP instead of the IESO's Long Term (LT) procurement, or ERP or a corporate PPA?

   LGP is promised to have reduced complexity compared to LT2 or ERP. Bilateral corporate PPAs are not sufficiently attractive at this stage because the proposed regulations are restricted to Industrial Conservation Initiative (ICI) market participants. Buyers and sellers do not have enough certainty to compare with an IESO contract. Negotiating a PPA with a large industrial requires advanced power marketing capabilities.

7. What are the top 3 reasons you are considering building new electrical generating facilities to connect to the distribution (Dx) system instead of facilities to connect to the transmission (Tx) system?

It is easier to acquire land and screen for interconnection potential. Interconnection has reduced engineering complexity, and there is opportunity to co-locate with load, thereby increasing hosting capacity and providing value to the grid by defering transmission reinforcement.

8. What would be the main drivers around your decision to choose some specific location to develop a facility?

The main consideration for solar development in the context of Ontario is land availability after the Provincial ban on prime agricultural land for ground-mounted solar is taken into account. Available grid capacity and expected interconnection costs are also of prime importance, including existing and queued DER and proximity to grid infrastructure and load. Other considerations include environmental factors (e.g. slope, wetlands, floodplains), permitting regime, zoning, authorities having jurisdiction, site access and proximity to residents/neighbors.

Other Comments/Feedback

Topic: High Level Program Design	**Feedback**
Clarity and guidance on interconnection deliverability and upgrade cost.	Proponents need clarity regarding how interconnection upgrades will be determined expensed. Will there be a deliverability test like LT2? Will the contract cover the cost of interconnection upgrades, or do proponents need to independently determine the cost and factor it into bids?

Topic: High Level Program Design	Feedback
Consideration of agrivoltaics and the ban on prime agricultural land for ground-mounted solar.	A diverse mix of generation assets is optimal for system operation and stability, but the IESO controlled market has less than 500 MW of solar PV capacity. While there are over 2 GW of solar behind the meter, the IESO has no visibility or control over these assets. Solar is a good complement to wind generation since their peak capacity is out of sync. However, the deployment of large-scale solar farms located close to load centers is restricted by the unreasonable ban on prime agricultural land for ground mounted solar. There are multiple successful examples of agriculture co-existing with solar, particularly in Europe but best demonstrated in Illinois, a jurisdiction comparable to Ontario. Countries with much less area and arable land compared to Ontario have embraced agrivoltaics. While this is clearly an issue of Provincial policy, the IESO has an opportunity to advise the government to adopt better land management practices for the betterment of the grid and all Ontarians.
Clarity and guidance on the revenue model and capacity reserved for different technologies.	Self-explanatory.
Consideration for use of brownfields and other disturbed lands in proposal evaluation.	The IESO should consider giving rated criteria points during the proposal evaluation stage to projects on brownfields, disturbed or contaminated land.

General Comments/Feedback

The lack of accurate distribution system hosting capacity maps and public interconnection queues are barriers to fully realizing the potential of distributed generation and storage. The availability of information in Ontario is generally much poorer compared to many US states. Hydro One's distribution system map shows polygons and not feeder lines. The transmission system map is a pdf and not a searchable GIS file. This information can be acquired through tedious and methodical open-source intelligence (e.g. tracing transmission lines on a GIS platform), so there is little added security value. Interconnection screens used by LDCs to calculate hosting capacity are outdated and do not align with model interconnection guidelines proposed by The Interstate Renewable Energy Council (IREC). While many of these issues are within the jurisdiction of the OEB and LDCs, the IESO has outsized influence with the Ministry of Energy and other determining parties and should

encourage rapid adoption of best practices seen elsewhere in North America and Europe. Electricity works the same everywhere. Thank you for the opportunity to provide feedback.