

Feedback Form

Long-Term 2 RFP – December 13, 2023

Feedback Provided by:

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Date: January 15th, 2024

To promote transparency, feedback submitted will be posted on the Long-Term RFP engagement page unless otherwise requested by the sender.

Following the LT2 RFP engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on specific items discussed during the webinar. The webinar presentation and recording can be accessed from the [engagement web page](#).

Please submit feedback to <mailto:engagement@ieso.ca> by January 15, 2024. If you wish to provide confidential feedback, please mark "Confidential". Feedback that is not marked "Confidential" will be posted on the engagement webpage.

Resource Adequacy Framework and Cadenced Procurement Approach

Topic	Feedback
<p>Do you have any comments or concerns regarding the cadenced nature between upcoming LT and MT RFPs?</p>	<p>Staggered 2 year windows appears appropriate unless the conditions change dramatically for applications between the different windows (for example the conditions or requirements change to meet political initiatives then it would potentially need to be adjusted).</p>
<p>Do you have any comments or concerns regarding the proposed offering of both capacity style and new revenue model style of contracts, based on resource eligibility requirements and system needs?</p>	<p>For renewable energy assets without storage, a capacity style model is difficult to commit to, given the nature of the resource and many different factors that would impact the generation. It may produce low-balling commitments from developers on the eligible production they are willing to contract to. Also, connection to the grid (both transmission and distribution) are based upon the installed capacity at a fixed point in time (peak) not the variability of production.</p>
<p>Do you have any concerns regarding the proposed target setting approach for upcoming MT RFPs?</p>	<p>MT – 5-year flexible terms may not be enough incentive to warrant repowering of the systems (especially if there is a requirement for the AC size to increase as this would require more available capacity from the distribution company, which might already be constrained for that area that the existing asset is located). While costs have decreased since the original asset was installed, it may only have the advantage of the land/building location being secure. You may see current asset owners holding out for longer-term contracts. Also do new building permits have to be obtained as these existing assets (FIT) would have been under the Green Energy Act, giving no power to the local municipality. This is a detail to think about if the requirements change and what threshold is that asset to be under for installing additional capacity.</p>

Topic	Feedback
Do you have any comments regarding how best to employ bridging and extensions to contracts to facilitate the success of the Resource Adequacy Framework?	One way to support this is if an existing contract holder wants to extend and participate in the MT2 or LT2 and beyond to not wait until their contract is over. Allow for overlapping contracts signed with the start date immediately after the termination date, to create a secure avenue for the asset to continue operating. This allows time to negotiate any necessary real estate or stakeholders to continue an asset. Also note that some FIT contract holders have already repowered the DC (solar), and could potentially just increase the AC under their FIT contract to help bridge that gap (this would be a quick turn around as it is simple equipment to install and procure).

LT2 RFP Resource Eligibility and Timelines

Topic	Feedback
Do you have any general feedback on resource eligibility and timelines?	Municipal Resolutions for new projects and investing in getting that prior to submission may be difficult, and a lot of investment (if the municipality asks for development materials that would otherwise be done post contract award) in order to award a municipal resolution. A consideration may be that a conditional resolution be issued and encouraged to the municipalities, or some sort of additional stakeholder endorsement.
If the potential of repowering an existing facility applies to you, would you be interested in exploring this option further?	Potentially re-evaluate current PPA/net-metering contracts that are expiring and reconnect to participate (physical connection does not allow for direct injection of energy, but can simply be technically be changed). Some participants with net-metering system maybe willing to participate as it is more beneficial for immediate dispatch of resources.

Topic	Feedback
<p>How should the optimal threshold for what constitutes a partial or fully repowered facility be determined and what considerations should be taken into account regarding the repowering of different resource types?</p>	<p>For solar assets repowering the DC side would require limited permitting and resources (note above in regards to there are a number of assets that have already repowered the DC due to warranty issues or technical issues). The AC would require new permitting with the LDC for capacity and that would be potentially difficult. Also consider if these assets (for example the ground mount FIT) would be grandfathered in for permitting and municipal approval that was not required during the Green Energy Act regime.</p> <p>However this is an important piece to the puzzle to not let assets go un-used or repowered. There is always a concern with communities about when the asset reaches its end of life what happens. Certain rules may be considered on how waste is dealt with (example panel recycling).</p>
<p>What considerations should be taken into account for new-build DERs?</p>	<p>DERs cannot compete with large scale renewables. But they accomplish something in aggregate that usually large scale renewables can't. They often can utilize space (land and rooftops) that is seen as a unusable and really starts to create energy at the source of the need.</p>
<p>Please express any interest and opportunities for uprates and/or expansions at any of your existing facilities.</p>	<p>There are lots of interest, especially to do aggregation of projects that are existing (for example PPA projects that have a 5 year turn-around). It might be more beneficial to the property owner and asset owner. We also believe that from a responsibility for current FIT projects that extending projects beyond their 20 years under this program (not the FIT contract terms) would be beneficial to the partners that are involved in those assets (for example Indigenous and Cooperatives that are already involved).</p>

LT2 RFP Design Considerations – System Congestion and Deliverability Approach

Topic	Feedback
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<p>What early system congestion information do proponents need to guide them in choosing the location of their projects and when is this needed by within the procurement cycle?</p>	<p>Available congestion information (consistently updated), including what is in the que. This is critical to meet the timelines proposed. As per the schedule project siting for the first half of 2024, until the draft RPF is issued, and then a year to receive municipal resolutions (this is a tight schedule if the available congestion data is not available immediately in 2024).</p> <p>Future available congestions points, forecasting out when more storage resources come online if there is available capacity.</p>
<p>Do you have any general suggestions for how to approach deliverability evaluation in the LT2 RFP?</p>	<p>If the team is ranking the project by price first and then deliverability there may be a more viable project (better location) that has a higher price, but willing to pay for infrastructure upgrades (example transfer trip costs with the distribution network) to ease the congestion in that location and therefore bring more reliability in the long run to that area. While this complicates the evaluation process but evaluate price first you may see a “congestion” of projects in the most desirable connection points, vs where the needs actually are.</p>

LT2 RFP Design Considerations – General Feedback

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<p>Do you have any comments regarding the impacts that agricultural land-use limitations may have on project development?</p>	<p>Community support is critical to move a project forward. Combining agriculture (with specific conditions) and renewables would be an avenue to gain the community's support. Specifically, there are well studied practices worldwide with agrivoltaics. There can be conditions to allow for projects on agricultural lands that have been successful, for example the Massachusetts Smart Program. Land resources in Ontario for placement of projects will start to become increasingly difficult, in competition for connection resources, housing developments, or already resourced lands. If northern Ontario becomes one of the only available areas, the maintenance costs will be higher, and the production will be lower. Agrivoltaics is something that can provide both rural landowners more income, and also continue to support innovation in food production and security.</p> <p>We believe that Class-1-3 land could be utilized if there were conditions met to incorporate agricultural activities on the land.</p>
<p>Do you have any comments regarding what evaluation criteria can be utilized to evaluate project readiness, given tight timelines and reliability needs?</p>	<p>Some large DER projects (large warehouse with a few MW) could be a potential. However, the cost profile might be different (production profile), it might be considered that this evaluated differently. While competitive against other DERs, possibly not against a large utility scale project. Please note that the community stakeholders may also favour this development in their community.</p> <p>Project maturity criteria should be clearly defined within the draft RFP to understand how much investment developers need to put in, in order to meet this requirement. Interconnection documentation may not be suitable as it would then clog up the application process, and also not give accurate information to the LDCs, Transmission and IESO on what available capacity there is.</p>

Topic	Feedback
<p>Do you have input on the proposed mechanism for valuing Indigenous participation?</p>	<p>Points given for projects on Indigenous lands are difficult to achieve, especially from a financing/lender point of view. Often projects located on Treaty lands have complications for real estate law and then limit the ability for lenders to get comfortable with providing financing on those lands.</p> <p>It should be also noted that some Indigenous groups may not be able to participate with their lands due to availability of transmission capacity to connect the project and unfairly eliminates that project from gaining extra points.</p> <p>The goal is to create Indigenous participation and gain economical value which can be done the same on Indigenous land or not. One key item is supporting in employment for Indigenous peoples. That may be considered more with the developer committing to utilizing some sort of Indigenous labour.</p>
<p>Are there any other rated criteria that should be considered?</p>	<p>Cooperatives across Ontario have been active, even prior to the FIT projects. There is a level of interest to be involved in additional projects in Ontario and this promotes direct community involvement in projects. We would request that there be a consideration for Cooperatives to participate in this procurement as well. There is an opportunity for them to leverage their current portfolios in this program and gain even more community support.</p>

Long Lead Time Resources

Topic	Feedback
<p>Does the proposed approach to enabling long-lead time resources enable meaningful participation or sufficient certainty?</p>	<p>From a PV perspective the long-lead portion is often the development period and therefore these timelines are supportive of that. Are there any incentives to bring resources online early?</p>
<p>What additional considerations should the IESO contemplate for enabling broader participation from long-lead time resources?</p>	<p>Development will be a long-lead time, and with recent news of municipalities denying storage and/or renewables in their jurisdiction is potentially a roadblock for development.</p>

Revenue Model

Topic	Feedback
As a potential proponent, are you generally supportive of the proposed Enhanced PPA revenue model? Are there any other considerations that the IESO should look into further with regards to the revenue model?	Generally we are supportive of the model. It creates competition which ultimately is better for the rate payer. We do suggest that there are some criteria that may be better reviewed to strengthen our communities infrastructure energy needs.

General Comments/Feedback

Please note the majority of our comments are focused on solar as the energy source and the nature of this generation. Please also note that these are comments that may have already been considered by the IESO in the design of this procurement, however we appreciate your consideration if there is anything new.

There is a good opportunity to have already established cooperatives in Ontario also participate. There are many active cooperatives in Ontario that would be willing to participate in these procurement programs and add an element of community support. I, Grace, am a board member of an active renewable energy cooperative in London, Ontario and there is definitely interest in participating in this program as well. I'm happy to continue that discussion as well.