Feedback Form

Long-Term 2 RFP – December 13, 2023

Feedback Provided by:

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Title: Chairman

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Date: January 19, 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
Do you have any comments or concerns regarding the cadenced nature between upcoming LT and MT RFPs?	Good approach. Positive on multiple rounds of procurement, and interlacing of LT and MT rounds.
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?	Minor concern about possible complexity of contracts for small TX connected solar farms like ours. Concerned about possible ongoing operational complexity of day ahead market for small solar farms like ours.
Do you have any concerns regarding the proposed target setting approach for upcoming MT RFPs?	no
Do you have any comments regarding how best to employ bridging and extensions to contracts to facilitate the success of the Resource Adequacy Framework?	Concerned that bridging extensions will be influenced by political whims at that time. Past governments have taken strong views on one technology or another being either in, or out of favour. Concerned that timeline for financing any repowering works with IESO process timelines.

LT2 RFP Resource Eligibility and Timelines

Topic	Feedback
Do you have any general feedback on resource eligibility and timelines?	Generally positive on what has been outlined.
If the potential of repowering an existing facility applies to you, would you be interested in exploring this option further?	Yes, it does apply directly to SNI. Clearly we have lot invested in our TX connection point and our solar park. We would hate to see that asset go to waste because of incompatibility in IESO process or mechanism.
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?	For our solar facility, we are constrained by land. A 20% expansion means adding acres. This is restricted by government guidelines on Class 1-3 land. For re-powering, we wish that Gov't makes expansion provision for existing facilities. Would also like to add TX connected battery storage. Not possible under current FIT Contract.

Topic	Feedback
What considerations should be taken into account for new-build DERs?	Relax land restriction for solar. Let municipalities decide. We have invested heavily in good municipal relations. But this means nothing if Gov't imposes land class vetos.
Please express any interest and opportunities for uprates and/or expansions at any of your existing facilities.	We have 14 MW DC, could deliver 12 MW AC. Limited to 10 MW by FIT Contract. Would also like to add another 10, 20, 30 or 40 MW to our 115kV substation at WT1A.

LT2 RFP Design Considerations – System Congestion and Deliverability Approach

Topic	Feedback
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?	As a small proponent we need CLEAR info from TX system. During FIT, info changed often, sometimes w/o explanation. For renewable projects it is not efficient to have each possible project to conduct a TX study.
Do you have any general suggestions for how to approach deliverability evaluation in the LT2 RFP?	IESO and HO must have congestion info on all existing facilities. How can this be shared with Generators?

LT2 RFP Design Considerations – General Feedback

Topic	Feedback
Do you have any comments regarding the impacts that agricultural land-use limitations may have on project development?	Big issue for solar. Best technical projects may not be in poor land areas. Municipalities get to zone subdivision lands, but not power generation. Why this arbitrary restriction? If municipality is on board, why not allow solar?
Do you have any comments regarding what evaluation criteria can be utilized to evaluate project readiness, given tight timelines and reliability needs?	Extending or re-powering existing facilities should be evaluated as less risky than new facilities. Environmental permitting has been a major risk for solar, wind and especially hydro. Extending existing facilities reduces risk.

Topic	Feedback
Do you have input on the proposed mechanism for valuing Indigenous participation?	For FIT, we committed to a 20 year payments to FN. Such payments are an indirect cost to rate-payers. We are on private farm land. For any other use, other than IESO, we would need no make no such payments. Is this really necessary on private land? Is it meaningful, socially? On Crown land, FN participation is meaningful, on private land, it is an unnecessary burden. To give points for generation on FN land is a social/political prerogative. Perhaps the requirements for Crown and Private lands should be separate?
Are there any other rated criteria that should be considered?	Reduce arbitrary requirements, such as land classification. Give priority points to extensions and repowering, provided cost is competitive.

Long Lead Time Resources

Topic	Feedback
Does the proposed approach to enabling long-lead time resources enable meaningful participation or sufficient certainty?	Long lead time is good. But bidding $/KWh too early is risky. Market conditions could change and strand projects. Difficult to get right. But tying $/KWh to debt cost is a possible way to increase certainty, and thereby lower risk and price to rate-payers.
What additional considerations should the IESO contemplate for enabling broader participation from long-lead time resources?	Manage risks to increase investment interest. The more certain the process, the higher interest in developing projects and the lower the ultimate cost to rate-payers. Stay away from unnecessary and/or arbitrary restrictions and requirements that are not highly thought out and relevant.

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?	At this stage, and as a small MP, we do not understand the PPA revenue model. Anything that IESO can do to help us better understand what we are getting into would be helpful.

General Comments/Feedback

IESO has done a good job creating and outlining a new process. Also good is the work done to build on what was learned from NUG and FIT. But here some thoughts:

- Trying to work renewables into capacity markets and day-ahead markets is difficult for generators. Continued thought needs to be given to how to keep things simple. Simple contracts, simple and reasonably predictable pricing mechanisms.
- Many renewable facilities are 10's or 100's of millions, not billions. For smaller projects like this, TX issues and obstacles are best worked out by IESO and HydroOne, not generators or applicants.
- Arbitrary restrictions on land class for solar are not helpful. These land use zoning issues should largely be left to municipalities, as is done for other types of land use development.
- Existing projects with interest to extend or re-power should be given extra points over greenfield projects. Stranding past investment into TX substations, TX connection lines and generation assets has three big problems. One, it increases investment risk for greenfield projects (i.e. high terminal value risk). Secondly, it creates decommission issues that can have negative social impact on local communities (eg. Unused brownfield sites that remain unused for years or decades). Thirdly, it is becoming ever more difficult to permit new sites for any type of industrial use in Canada. This means timing risk, outcome risk and ultimately higher financial costs for investors and society as a whole.