

Feedback Form

Long-Term 2 (LT2) RFP – February 15, 2024

Feedback Provided by:

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To promote transparency, feedback submitted will be posted on the Long-Term RFP engagement page unless otherwise requested by the sender. If you wish to provide confidential feedback, please mark "Confidential".

Following the LT2 RFP February 1, 2024, 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 engagement@ieso.ca by February 15, 2024.

Revenue Model

Topic	Feedback
<p>Do you have any additional comments regarding the revenue model, particularly with regards to the following: Deeming energy market revenues based on real-time locational marginal prices (LMP), as opposed to the IESO's recommendation of basing this on the day-ahead LMP. (Slides 19-21)</p> <ul style="list-style-type: none"> • The optionality of using either a simple average day-ahead price or weighted average LMP, with the latter including hours where the resource was scheduled day-ahead in a given month. (Slides 22-23) • Including monthly production factors that on average equate to the annual production factor, in order to further account for seasonality. (Slides 24-26) 	<p>The proposed "Enhanced PPA" revenue model would introduce an unreasonable level of complexity, uncertainty and financial risk into this procurement, while failing to achieve greater price-responsiveness from renewable generators and leading to inefficient market outcomes (e.g., generators systematically under-committing in the DAM to avoid penalty)</p> <p>The option of using a weighted average LMP as an alternative to a simple average day-ahead price would not be a meaningful improvement in terms of addressing the potential shortfall between actual and deemed revenues that could arise due to a range of circumstances completely beyond individual generators' control. The use of more granular production factors would not adequately account for financial risk due to variability in generator output that again would arise due to circumstances beyond generators' control.</p> <p>An indexed contract price per MWh with compensation for foregone energy would provide a reasonable and appropriate incentive for developers in light of the inherent risks and challenges of the Ontario market.</p>

DERs

Topic	Feedback
<p>Do you have any comments regarding eligibility requirements for DERs of other general comments?</p>	

Capacity Resources

Topic	Feedback
Do you have any comments regarding considerations for acquiring additional capacity resources, and utilizing a multi-stream approach (energy and capacity streams)?	Greater clarity is urgently required from the IESO with respect to the total capacity need, eligibility criteria, and overall procurement design. One key consideration would be whether and in which configuration(s) a hybrid resource could potentially be eligible for both a capacity and energy contract

LT2 Deliverability

Topic	Feedback
Do you have any comments on early deliverability data and evaluation stage deliverability?	<p>Significant additional detail is urgently required with respect to the proposed deliverability assessment methodology.</p> <p>In order for proponents to make informed choices on project siting as early in this process as possible, the IESO should provide, at minimum,</p> <ul style="list-style-type: none">• Hourly consumption for all transmission stations• Monthly/Seasonal congestion on transmission elements• Zonal data should include energy contributions from each generation technology• Thermal limits for all existing transmission circuits and segments and those that have been approved for construction• Utilization factors/strategies for existing transmission circuits• Approved methods of addressing IBR control instability• Connection specific limitation factors and approved methods of addressing them (connection strategies, supporting infrastructure, etc.)• Methodology of addressing/selecting between competing projects• List of all existing and approved generation and energy storage resources by connection point and rated capacity

Repowering

Topic	Feedback
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Do you have any comments around repowering participation?

Long Lead-Time Resources

Topic	Feedback
Do you have any comments on enabling long-lead time resources?	It is inefficient and inequitable to offer greater flexibility on in-service dates for certain types of supply resources and not others. We are strongly opposed to this proposed approach, and would consider a level playing field for all technologies as being clearly in the best interests of Ontario ratepayers in terms of offering the best opportunity for fair market competition.

General Comments/Feedback