

# Feedback Form

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

### Feedback Provided by:

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Organization: London Hydro Inc.

Date: February 21, 2024

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](mailto:engagement@ieso.ca) by February 15, 2024.**

Revenue Model

**Topic**

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. D(Slides 19-21)

- 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)

London Hydro suggests that the IESO adopt an indexed fixed price PPA revenue model with a curtailment cap. This would enable low cost pricing based on a proven revenue model.

The concept of using wind and solar to obtain the required energy of 5 TWh is a great idea but using a capacity-based revenue model for non-dispatchable energy sources would result in increased costs without realizing the desired benefits.

It is difficult to project production values for variable renewable resources a day in advance. The IESO proposal creates risk for the supplier associated with deviations in production estimates from the day-ahead schedule and real-time production. This can result in forcing the supplier to buy back unrealized production in real-time for over estimated production days.

The IESO has proposed that this risk can be mitigated by the supplier submitting a low day-ahead production value, however, this would distort the IESO's supply/demand assessment and lead to the procurement of more costly generation resources unnecessarily. The result is that ratepayers would pay more than they need to.

The IESO has proposed that the supplier lower their production factor to reduce this risk. This unfortunately would result in higher RFP bid prices which may price the resource out of consideration due to being overly conservative or cause ratepayers to pay a higher rate for electricity than they need to.

**DERs**

**Topic**

**Feedback**

Topic	Feedback
Do you have any comments regarding eligibility requirements for DERs or other general comments?	

## 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)?	

## LT2 Deliverability

Topic	Feedback
Do you have any comments on early deliverability data and evaluation stage deliverability?	

## Repowering

Topic	Feedback
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?	

## General Comments/Feedback