

# Feedback Form

## Long-Term 2 (LT2) RFP – May 23, 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 May 23, 2024, engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the 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 June 7, 2024.**

OPG thanks the IESO for the opportunity to provide feedback on the LT2 RFP engagement and looks forward to receiving the IESO's response, and to further engagement opportunities.

## LT2 RFP Energy + Capacity Streams

Topic	Feedback
Do you have any questions or comments regarding the clarifications the IESO provided regarding the targets, timing, eligibility or other details of the LT2 RFP Energy and Capacity streams?	

## Long-Lead Time Resources Procurement

Topic	Feedback
Do you have any questions or comments regarding the clarifications the IESO provided regarding the targets, timing, eligibility or other details of the Long Lead Time Resources Procurement?	<p><b>Definition of Long Lead Time Resources:</b> OPG continues to seek clarity regarding the definition of Long Lead Time (LLT) resources. OPG suggests that the IESO cover this in greater detail at the standalone LLT resources engagement expected later this year.</p> <p>OPG recommends that the LLT RFP should be technology agnostic and should include rated criteria that addresses the IESO's system needs and a resource's ability to enhance grid reliability (i.e. proximity to transmission, dispatchability, reliability of supply, ancillary services, time shifting/storage and technology maturity). The extent these characteristics are required and how they are valued need to be clarified.</p> <p><b>LLT should include Long Duration Energy Storage:</b> The IESO appears to be excluding certain technologies from the LLT stream due to the ability of those resources to be developed and commissioned sooner than the specified LLT timeframe (e.g. COD 2034/2035). This may lead to reduced competition in the LLT procurement and IESO not attaining its procurement targets.</p> <p>OPG suggests that the IESO consider allowing for Long Duration Energy Storage (LDES) projects of any nature to bid into the LLT procurement and allow these projects to have a flexible COD within acceptable timelines for the IESO (COD up to and including 2034/2035).</p> <p>LDES technologies that can be developed in shorter periods provide many electricity system benefits including reducing</p>

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	<p>reliance on natural gas use and providing robust means of time shifting energy procured from the LT2 energy stream. The IESO should seek to enable more, not fewer, technologies to be able to compete in this procurement. If the IESO is selecting from a narrow pool of technologies due to lead time limitations, fundamentally the best value products may not be chosen.</p> <p>OPG recommends that the IESO consider incorporating a portion of the targeted LT2 capacity into the LLT stream. For example, projects that can come online in 2031 before the end of the intended COD of the LLT stream should be allowed. More bids and more competition inherently allow for a higher probability of success for the procurement and will in turn benefit the rate payers and enable sooner electricity system emissions reductions.</p> <p><b>De-Risk Longer Lead Time Resources:</b>  The assets being developed for the LLT stream by nature require more predevelopment work to refine price estimates that can be used for a bid. The current design of the bid timeline will not allow for the sufficient completion of development work at the time of bid for a true reflection of the project cost. This could result in inflated or inaccurate bid estimates or attrition from the LLT stream – both negating the intended goals of the IESO.</p> <p>The IESO should consider methods that will allow for more time for development work on projects prior to bidding, with provisions to recover development costs and de-risk the project.</p> <p>The IESO could consider a two-stage bid mechanism that allows for price adjustment within an acceptable band. The first stage would have proponents compete normally; and accepted projects, once further development work has been completed, would move onto a second stage competition. The second stage of bids could have a limitation on the price increases allowed and only acceptable projects to the IESO will be selected.</p> <p>OPG suggests the IESO consider adding flexibility to the LLT by including LDES that can be developed before 2034. These resources may not require a 40 year contract but</p>

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	<p>may be better suited with a 20 or 30 year contract depending on the design life of the asset. More options in the contract length allows the IESO to have greater flexibility in the future. Financially matching the asset life to contract life enables a lower-cost-higher-availability product rather than requiring a midlife refurbishment for an asset.</p> <p><b>Clarity for evaluating Hydro vs. LDES:</b>  The IESO has provided that in assessing the merits of projects for its procurement process, the IESO believes that a single evaluation methodology that compares resources on a common metric that is then modified by a technical criterion (i.e., duration, operability, etc.) will enable greater competition. Please provide specific examples of the “modified” factor in upcoming engagements.</p> <p>It is unclear how the IESO intends on comparing the system benefits of an energy producing asset and an energy consuming asset for the LLT stream. The IESO should provide clarity on how it plans to compare LDES to hydro projects, and the benefit analysis that will be used for the comparison. This will enable proponents to better understand the relative merits of assets in question.</p> <p><b>Other Comments:</b>  The following should be further clarified at the upcoming LLT stream engagements:</p> <ul style="list-style-type: none"> <li>• The information to be provided to proponents to site capacity projects.</li> <li>• How round-trip efficiency will be considered.</li> <li>• How IESO will consider transmission upgrades that support LLT projects. As the IESO better understands how potential projects under the LLT stream align with transmission build-out, the IESO should provide the most suitable generation buildout locations with access to transmission to help proponents narrow project locations.</li> </ul>

## MT2 RFP

Topic	Feedback
Do you have any questions or comments regarding the clarifications the IESO provided regarding the targets, timing, eligibility or other details of the MT2 RFP?	

## LT2 RFP Preliminary Connection Guidance Follow-Up

Topic	Feedback
Do you have recommendations for; addressing the previous feedback received; version 2 of the Guidance Document; and most specifically on the LT2 RFP capacity stream delivery approach the IESO is proposing.	

## E-PPA Revenue Model and E-PPA Energy Market Settlement Examples

Topic	Feedback
Do you have any questions or comments regarding the modified, "protected" version of the Enhanced Power Purchase Agreement (E-PPA) that the IESO has proposed?	

## General Comments/Feedback