

Feedback Form

Long-Term 2 RFP | Engagement Webinar | May 23, 2024

Renewable Energy Co-operatives as proponents

Feedback Provided by:

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Following the 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 [Future Clean Electricity Fund](#) web page.

Please submit feedback to engagement@ieso.ca. If you wish to provide confidential feedback, please submit as a separate document, marked "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

General Comments/Feedback

Introduction to OREC: The Ottawa Renewable Energy Co-operative (OREC) intends to engage as a co-proponents in LT2. OREC is an experienced creator/owner of DER projects, both solar and wind. OREC owns two wind turbines and 23 solar PV projects, including two 500KW ground mount PV projects that we created. We are in the process of partnering with large and experienced developers.

OREC is one of many other Renewable Energy cooperatives across Ontario and Canada that have similar capabilities and interests in citizen owned community scale clean energy generation projects. As a group we have a strong capability to build local support for the new energy assets that must be built across the province and country as we electrify our economy. Community Energy Cooperatives Canada (<https://www.cecooperative.ca/>) is our national association.

Recommendation 1: We note a qualification bias in LT2 material in favour of indigenous engagement, including indigenous participation as co-proponents. We wish to request that community-based investment entities such as OREC will be granted equivalency to indigenous participation in terms of rated criteria points as well as set-asides, particularly if such set-asides will be structured to incentivise partnership with indigenous communities.

OREC intends to be a gateway for local investors to become stakeholders in local energy projects, both on transmission (as a minority partner) as well as with DER projects. We are creating partnership contracts with developers, and some have reported that they interpret the combination of indigenous ownership and community ownership creates potential for dilution of the rated criteria points as well as dilution of the developer's economic interests. We wish to see a bidding situation where local community ownership is equivalent to indigenous ownership and not just a nice-to-have extra feature of a submitted proposal. OREC delivers value to projects on account of our experience with development, construction and generation operations as well as experience mobilizing community investors into renewable energy projects.

Recommendation 2: Feeder lines below 44KV in Ontario might be challenged to accept DER project scales of greater than 10MW. OREC wishes to assemble land parcels around a particular DS, and in the normal case with 3 feeder lines radiating out. In our ideal bidding world, OREC wishes to aggregate up to 3X10 MW projects (or more if feasible), one project per feeder line, to be deemed as a single project notwithstanding that there might be three separate meters. This would streamline permitting significantly as well as provide construction and operational cost economies.

Recommendation 3: OREC is aware that determining connection costs for smaller DER projects has been challenging for proponents in prior energy procurements, and that LDC's have not been effective in delivering connections at affordable costs, nor have LDC's been transparent about the processes they engage in to deliver lowest costs of connection to energy project proponents. OREC strongly encourages the IESO to impose a responsibility on LDC's of accountability, fairness and consistency in regard to connection costs for DER projects. Connection work that can be accomplished by private contractors at lower costs than what local LDC's propose should be allowed. OREC further proposes that standardized connection cost allocations should be pre-determined for LT2 for DER projects, configured on a dollars per MW basis. OREC further proposes that protection measures such as transfer trip controls should be shared among neighbourhood generation units if they are proximate to each other and can utilize such technology as shared equipment, as a cost reduction measure.

Recommendation 4: OREC strongly believes that this forthcoming procurement should include opportunities for smaller pods of DER widely distributed on the distribution grid, and preferably including high ratios of local ownership and local capital deployment. This approach will reinforce the proposed evolution of Ontario LDC's into DSO's. It is also consistent with the recently announced 'Community solar' program of Nova Scotia¹ and the already implemented hybrid islands solar/wind/batteries that are circumventing transmission system concerns in the US Midwest². OREC is requesting the IESO consider including within the qualification terms of LT2 a set-aside for community owned generation of up to 15MW (subject to line capacity) via pods of wind, solar generation and/or battery storage. We refer to these pods as 'neighbourhood generation units'. OREC believes that local ownership stipulations established by the IESO for neighbourhood generation units will encourage ownership by community groups such as renewable energy cooperatives, Community Benefit Corporations or B Corporations. OREC recommends significant local and indigenous ownership of neighbourhood generation units to ensure 'local/cross partisan' support.

Recommendation 5: Regarding financial qualifications (bid and performance securities) for eligibility for contracting as a neighbourhood generation unit, OREC believes that there should be a reduced quanta of performance security for proponents of these projects, in line with indigenous financial qualification requirements. OREC is not asking for financial supports as has been made available to indigenous proponents in the past via the Aboriginal Loan Guarantee program, because OREC is confident that there is sufficient capital within neighbourhoods and communities to manage the scale of investment associated with neighbourhood generation units.

Recommendation 6: Regarding municipal support for neighbourhood generation unit projects, OREC believes there will be significant interest within municipalities for engagement with energy generation projects undertaken by local proponents. OREC believes that a standardized approach to scaling neighbourhood generation units such as OREC is proposing will attract municipal councils to the

benefits of local economic activity, and the virtuous loop of generating energy locally, thereby relying less on large energy sources from outside community boundaries. OREC is confident that smaller, more widely distributed, locally owned projects will attract positive attitudes, especially within rural areas, to what is effectively another form of farming. OREC further recommends that municipalities, including municipal LDCs be encouraged to organize and co-own neighbourhood generation units, subject to having a minimum quanta of local citizen investment alongside the investment of municipalities and/or the municipal LDC's.