

Feedback Form

Long-Term 2 RFP – June 13, 2024

Feedback Provided by:

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Date: June 28, 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 June 13, 2024, engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the items discussed. The presentation and recording can be accessed from the LT RFP [engagement web page](#).

Please submit feedback to engagement@ieso.ca by June 27, 2024.

Developing on Agricultural Land

Topic	Feedback
<p>Do you have any comments regarding the provision proposed within the Ministerial letter to: "Provide rated criteria points for projects that avoid prime agricultural areas."</p>	<p>We submit that the proposed provision to "Provide rated criteria points for projects that avoid prime agricultural areas" is unnecessary and should not be included in the LT2 RFP. Certain technologies are permitted in prime agricultural areas if they complete an AIA. Ultimately, municipalities, through municipal support resolutions (MSRs), should have the authority to make decisions regarding project siting.</p>
<p>Do you have any comments and considerations regarding the implementation of the Agricultural Impact Assessment (AIA)?</p>	<p>We recommend that AIAs not be a prerequisite for proposal submission and instead be required, where applicable, as a pre-COD contract milestone.</p> <p>Regarding zoning for ground-mounted solar facilities, we recommend that any zoning requirements should not be required at the time of proposal submission and instead should be required, where applicable, prior to facility construction.</p> <p>Ultimately, municipalities, through municipal support resolutions (MSRs), should have the authority to make decisions regarding project siting, and should have the authority to build in flexibility regarding the timing of AIAs, zoning, or any other requirements, where applicable, into their MSRs.</p>

Resource Eligibility

Topic	Feedback
<p>Repowering considerations: Do you have any feedback to share regarding other resource types opportunities for repowering/refurbishment under the LT2?</p>	<p>We continue to support the opportunity for repowered/refurbished resources to be eligible to participate in the LT2 RFP, for all technology types including wind, as long as they can meet all obligations in the LT2 contract.</p> <p>We support IESO’s proposal to accelerate the timeline of the MT2 RFP to be run in advance of the LT2 RFP. We continue to support the notion of providing existing asset owners with the opportunity to continue operations via the MT2 RFP, or if they so desire, seek repowering opportunities via the LT2 RFP or subsequent RFPs. For facilities coming off contract in 2026, CanREA recommends that the IESO execute bilateral contract extensions with each facility as soon as possible, as the owners of these facilities need to make investment decisions on these assets as soon as possible.</p> <p>We continue to recommend that DERs and aggregate DERs <1MW be eligible to participate in the LT2 RFP. Given system constraints and the need to optimize site locations as efficiently as possible, this would enable local and targeted DER resources to participate in this competitive procurement. Alternatively, the IESO may consider a separate, simplified procurement stream or other straightforward enabling mechanism to enable these types of localized resources.</p>
<p>Hybrid considerations: Do you have any feedback to share regarding hybridized facilities under the LT2?</p>	<p>CanREA and its members are generally supportive of the IESO's proposal to include hybrid facilities as eligible resources in the LT2 RFP. We would like to seek more information from the IESO to fully understand this design proposal.</p>

LT2 Contract Provisions

Topic	Feedback
<p>Performance Obligations: Do you have any feedback to share regarding minimum Imputed Production Factor thresholds or the proposed calculation approach for Non-Performance Charges?</p>	<p>CanREA and its members submit that this item needs to be considered in the totality of the LT2 agreement to fully determine if the parameters and provisions are appropriate. We request that the IESO keep this item 'open' and further engage with stakeholders on this item as part of the review of the draft agreement and RFP document.</p>
<p>Excess Deemed Market Revenues: Do you have any comments regarding the percentage of the negative Grid Reliability Payment that is to be paid back?</p>	<p>CanREA and its members submit that this item needs to be considered in the totality of the LT2 agreement to fully determine if the parameters and provisions are appropriate. We request that the IESO keep this item 'open' and further engage with stakeholders on this item as part of the review of the draft agreement and RFP document.</p>

General Comments/Feedback

E-PPA Revenue Model

CanREA would like to thank the IESO for recognizing day-ahead (DA) to real-time (RT) settlement risk, driven primarily by (1) IESO centralized forecast uncertainty and (2) the absence of historical pricing data between the DA and RT markets in Ontario.

We appreciate the IESO proposing a solution to share some DA to RT settlement risk with proponents via the proposed Protected E-PPA model.

With respect to the percentage of the DAM settlement the IESO would protect, we submit that 85% is reasonable and appropriate, given the uncertainties and risks associated with DA to RT settlement.