

Feedback Form

Long-Term 2 RFP – June 13, 2024

Feedback Provided by:

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Date: June 27th, 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
<ul style="list-style-type: none">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."	<ul style="list-style-type: none">Solar: As solar projects are already prohibited from being sited within prime agricultural areas, provide rated criteria points based on such criteria would not be not applicable for solar projects.Wind and Energy Storage: Wind and Energy Storage projects are energy facilities with significantly less footprint and thus less impacts to lands during operation, which easily allows coexistence with agricultural practices and provide economic benefits to the landowners. As per Minister of Energy's letter on June 6, 2024, Agricultural Impact Assessment (AIA) would be required for these resource types, which would include details on net impacts of the proposed development area and mitigation measures to demonstrate preservation efforts of agricultural areas and reduce impacts to farm operations/surrounding areas. This would allow individual landowners to benefit from both: agricultural practices and revenue from renewable energy projects. Thus, EDF would recommend rated criteria points to be assigned based on other parameters (e.g: project location at a preferred IESO zone)

Topic	Feedback
<ul style="list-style-type: none"> Do you have any comments and considerations regarding the implementation of the Agricultural Impact Assessment (AIA)? 	<ul style="list-style-type: none"> Appropriate timing for implementing Agricultural Impact Assessment (AIA): We strongly recommend that AIAs not be a prerequisite for proposal submission and instead be required, where applicable, pre-COD as the agricultural assessment would be more suitable to be conducted together with the municipal permitting process. This would allow the required studies to reflect a more detailed project design, footprint and impacts.

Resource Eligibility

Topic	Feedback
<ul style="list-style-type: none"> Repowering considerations: Do you have any feedback to share regarding other resource types opportunities for repowering/refurbishment under the LT2? 	<ul style="list-style-type: none"> EDFR notes the process IESO has undertaken as outlined in the presentation and we do not have any additional feedback to offer the IESO at this time.

Topic	Feedback
<ul style="list-style-type: none"> • Hybrid considerations: • Do you have any feedback to share regarding hybridized facilities under the LT2? 	<ul style="list-style-type: none"> • EDFR supports IESO pursuing hybrids, however, the current mechanism does not seem to fully realize the benefits a collocated BESS with wind/solar facility. The additional investment required to include BESS would not likely be covered by simply optimizing deemed revenues over the deemed forecasted weighted average. By separating completely, the procurement for capacity and energy, the enhanced grid reliability advantages of co-located facilities cannot be fully captured. • Also, we want to seek more information from the IESO to fully understand this design proposal.

LT2 Contract Provisions

Topic	Feedback
<ul style="list-style-type: none"> • Performance Obligations: • Do you have any feedback to share regarding minimum Imputed Production Factor thresholds or the proposed calculation approach for Non-Performance Charges? 	<ul style="list-style-type: none"> • Given that wind and solar are variable generation (VG) resources, we have no control over the actual production. Also, we are already taking some production risk given the nature of the Grid Reliability Payment and the energy production factor which we are having to bid. Therefore, EDFR does not think it is appropriate to have a minimum Imputed Production Factor threshold. It is also not standard in a variable generation power purchase agreement. Alternatively, we would propose an availability guarantee. • With regards to the Non-Performance Charges, New York used to apply a non-performance charge to a facility that is not able to achieve 80% or more of its production and consider actual performance that results in a value less than 65% an event of default in their contracts, but they have been removed because VG resources have no control over the actual production.
<ul style="list-style-type: none"> • Excess Deemed Market Revenues: • Do you have any comments regarding the percentage of the negative Grid Reliability Payment that is to be paid back? 	<ul style="list-style-type: none"> • EDFR believes it is reasonable for the excess Deemed Energy Market Revenue to flow back to the IESO. However, the deemed revenue is not actual revenue. To the extent there is a difference between deemed and actual revenue, there is risk that generators will have to buy back the shortfall, which will need to be factored into their proposal price. We request that the IESO provide the actual language so we can better understand and evaluate the risks.

General Comments/Feedback

E-PPA Revenue 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.