

Feedback Form

Long-Term 2 RFP – July 4, 2024

Feedback Provided by:

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Date: July 19, 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 July 4, 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 July 19, 2024.

MT2 RFP

Topic	Feedback
Do you have any feedback regarding resource eligibility under the MT2 RFP?	
Do you have any feedback regarding the IESO’s proposed method of determining the procurement target for the MT2 RFP?	
Do you have any feedback regarding the contract structure or term length under the MT2 RFP?	
Do you have any feedback regarding capacity qualification for the MT2 RFP?	
Do you have any feedback regarding proposal submission fees and proposal security requirements for the MT2 RFP?	
Do you have any feedback to share regarding the IESO’s proposed method of proposal evaluation under the MT2 RFP	

LT2 RFP Capacity Stream

Topic	Feedback
Do you have any feedback to share regarding the capacity stream under the LT2 RFP?	<p>The LT2 RFP July 4, 2024, engagement presentation, indicates the IESO is considering removing materials cost indexing from the LT2 RFP capacity stream that were features of the E-LT1 and LT1 procurements. EDFR would like to know why the IESO is considering removing materials cost indexing.</p> <p>Since IESO is considering removing the MCIA, EDFR strongly encourages IESO to replace it with some form of indexation in LT2. EDFR has made several comments in the past on how indexation can significantly reduce the risk of non-delivery. The economic headwinds brought on by inflation, combined with a significant shift in supply chains, existing or new tariffs, and increased customer demand for non-emitting electricity are still affecting pricing well beyond the reasonable control of the buyer and seller. Moreover, EDFR is seeing indexation as a fair and reasonable risk balancing lever in recent commercial and industrial (C&I) and utility PPA contracts. There are various relevant North American and international commodity price indexes, as well as general producer price indexes that could be applied in this case, and we would encourage the IESO to engage directly with proponents on this point. Two alternatives that we would propose include: 1) 100% CPI pre-and post-COD, and; 2) an adjustment mechanism for changes to CapEx. The adjustment can go up to a fixed price cap or down to a fixed price floor. If the adjustment exceeds the fixed price cap, then the buyer will have the option, but not the obligation, to proceed with the PPA contract at the fixed price adjustment exceeding the fixed price cap. EDFR would suggest a targeted and focused engagement to determine the appropriate design.</p>

LT2 RFP Proposal Evaluation

Topic	Feedback
<p>Do you have any feedback to share regarding the IESO's proposed method of proposal evaluation under the LT2 RFP?</p>	<p>The engagement presentation indicates the monetization of environmental attributes will remain with the supplier for the MT2 capacity stream. EDFR would like to seek clarity from the IESO as to whether suppliers will retain ownership of the environmental attributes in the LT2 energy and capacity streams.</p> <p>With regards to proponents being able to submit 3 laminations per proposal, it would be much appreciated if IESO can disclose more details about what will be accepted as variations (e.g., price, project size and POI). At this stage, it is not clear whether a project will be allowed to submit multiple POIs or double circuit connection. It is also unclear whether suppliers are required to provide a contract price or an annual revenue requirement as part of their proposal price submission. On slide 33 of the engagement presentation, it states that suppliers will offer three bid parameters to the IESO including proposal price. However, on slide 35 and the accompanying example, it states that an annual revenue requirement is submitted.</p> <p>Overall, EDFR would appreciate more detailed information regarding the ranking process for LT2 RFP energy stream proposal evaluation.</p>

LT2 RFP Proposal Security

Topic	Feedback
<p>Do you have any feedback to share regarding the proposal security requirements under the LT2 RFP?</p>	<p>LT2 did not have a RFQ process therefore proponents were not evaluated with regards to potentially serve as a reliable energy supplier, which increased the risk level at this procurement to IESO and Ontario residents. EDFR believes that lowering the proposal security requirement might also contribute to expose IESO and Ontario residents to a greater risk level, especially in a scenario where there was not previous evaluation towards proponents' background (e.g., years of experience in Ontario, ability to deliver this technology on time, on budget, company financial health, etc.). Since IESO will not require an RFQ, EDFR would strongly recommend IESO to put in place some criteria (i.e. Evaluated Criteria) to rank proponents' qualification in various regards like experience developing, obtain MSRs in Ontario, financial health requirements, and project deliverability.</p> <p>IESO is proposing a proposal security requirement of \$35,000/MW of the Maximum Contract Capacity for the LT2 RFP. EDFR would propose that the proposal security requirement for the LT2 RFP be the same as the LT1 RFP (i.e., \$40,000/MW).</p>

General Comments/Feedback