

Feedback Form

Long-Term 2 RFP – July 4, 2024

Feedback Provided by:

Name: William K G Palmer

Title: P. Eng.

Organization: TRI-LEA-EM

Email: [REDACTED]

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?	Identifies eligibility criteria of having permits to continue operating to end of MT2, yet most of these facilities have 20-year OEB licenses that expire before end of MT2, so needs clarification.
Do you have any feedback regarding the IESO's proposed method of determining the procurement target for the MT2 RFP?	See no point in setting target on the basis of a percentage of submitted proposals. Targets should be based on IESO need. Suppose IESO receives excessive proposals, would they still be approved? Suppose insufficient proposals are received, would they be reduced further? The statement about IESO setting flexible targets simply makes the whole structure meaningless, and might as well just say, "Regardless of targets, IESO will choose what they want, on the basis of bid." This section needs revision.
Do you have any feedback regarding the contract structure or term length under the MT2 RFP?	The contract structure based on "Grid Reliability Payments" is prone to abuse. Payments for renewed contracts should be based on the ACTUAL performance over the last 5 years for these renewed contracts. As equipment ages, performance deteriorates, it does not improve, so basing payment on an assumed new performance figure is meaningless.
Do you have any feedback regarding capacity qualification for the MT2 RFP?	Nameplate capacity for variable generators is a meaningless value, subject to abuse. Capacity qualification for renewed contracts in MT2 should be based on last 5 years actual performance, which by itself is generous given previous comment about performance deterioration as equipment ages – beyond design life expectancy for much of this equipment. (wind, solar, and batteries)
Do you have any feedback regarding proposal submission fees and proposal security requirements for the MT2 RFP?	No comment.
Do you have any feedback to share regarding the IESO's proposed method of proposal evaluation under the MT2 RFP?	A further consideration should be given to known unresolved complaints over the preceding 5 years. A facility that consistently fails to resolve complaints should not receive equal ranking as a good performer.

LT2 RFP Capacity Stream

Topic	Feedback
Do you have any feedback to share regarding the capacity stream under the LT2 RFP?	An unstated point here is that wind and solar are not part of capacity stream. Much of it in the short term will be based on battery capability, which is designed to provide capacity for no more than 4 hours, and with no guarantee of being able to supply again the next day (i.e. to recharge between system peaks). What will be the penalty for bidders who fail to meet the 20-year contract? 20 years is a push for batteries, given there is no 20-year experience in daily cycling.

LT2 RFP Proposal Evaluation

Topic	Feedback
Do you have any feedback to share regarding the IESO's proposed method of proposal evaluation under the LT2 RFP?	No comment, other than to note that the projected monthly capacity figures are too easily subject to abuse. These would seem to assume a daily capacity of 20, 30, or 40%. In fact, IESO data shows there are consistent examples of very low capacity, in particular during periods of highest demand (atmospheric high-pressure periods resulting cold crisp winter, or hot stagnant summer). There should be some demerit for proposals that cannot assure energy when needed.

LT2 RFP Proposal Security

Topic	Feedback
Do you have any feedback to share regarding the proposal security requirements under the LT2 RFP?	No comment.

General Comments/Feedback

A significant point noted during the IESO webinar was the unresolved assumption that Municipal Approval would not be required for MT2 contract extensions for currently operating facilities. This is not a reasonable assumption. Given the experience over the operating period since initial contracts were issued in 2006, 2007, etc. many municipalities have identified themselves as "Not Willing Hosts." Citizens have faced ongoing issues with wind generators, and transformer station noise, that have NOT been resolved over the operating period. It is NOT a reasonable assumption of the IESO to think that no municipal approval is required for these contract extensions. Municipal Approval following a period of public notice for comment by citizens should be required for contract extension.