

Feedback Form

Long-Term 2 RFP – July 24, 2024

Feedback Provided by:

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Following the LT2 RFP July 24, 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](#).

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 "Yes" below:

- Yes – there is confidential information, do not post**
- No – comfortable to publish to the IESO web page**

Please submit feedback to engagement@ieso.ca by August 9, 2024.

Draft LT2 Energy Contract

Topic	Feedback
Do you have any comments regarding the calculation of the monthly payment information presented?	We have no comments at this time.
Do you have any comments regarding the treatment of excess deemed revenues or analysis to share? Please attach any supporting information.	We would require more time to assess the impact of this proposal as this is a new concept and our analysis and feedback up to this point has not considered any potential claw back of excess deemed revenues.
Do you have any comments regarding the proposed approach to the performance obligations?	The proposed Exhibit F, which creates a production requirement for seller, is viewed as problematic for wind & solar projects because it requires the seller to provide resource (wind/solar) guarantees until 2048 at the risk of reduced compensation and termination. A more palatable and common structure in the renewable industry is to establish an availability guarantee of the equipment without seller guaranteeing performance of natural resources that are outside of seller's control.

LT2 Capacity Contract - High-Level Design Details

Topic	Feedback
Do you have any comments or feedback regarding the design details presented for the Capacity Contract?	The uncertainty surrounding Hydro One connection process is outside the control of the developer and should be acknowledged in the contract so that the developer does not have to take on that risk as it relates to achieving MCOD. This applies to the energy contract as well.

LT2 RFP Community Engagement Requirements

Topic	Feedback
<p>Do you have any comments or suggestions regarding the approach for community engagement?</p>	<p>We are supportive of the approach that gives municipalities more flexibility to approve projects and amend their official plans to accommodate them when needed.</p> <p>This approach helps municipalities allocate resources efficiently through the approval process by understanding projects earlier on.</p> <p>We see community engagement as a priority in development. We also believe there is a role for IESO to ensure municipalities are informed on the importance of this procurement to Ontarians and equipped to approve projects for LT2.</p> <p>The IESO and Government should provide developers and municipalities more information on how AIA's should be presented and accepted. And clarify whether there is flexibility in terms of facility amendment if AIA is not approved after contract award.</p>

General Comments/Feedback

2.3(a) "Time is of the essence" language has been interpreted by the Ontario courts to permit the IESO to terminate a contract prior to the Longstop Date where Supplier has failed to achieve Commercial Operation by the Milestone COD. IESO should make it explicit that that failure to achieve COD before the Longstop Date is not a terminable event.

2.4(b) The Late Report Administrative Charge should be removed. Such charge is a not a common market practice and seems punitive, not reasonable.

2.5 Contract should include a structure to allow Supplier to reach Commercial Operations with at least 90% of the Contract Capacity.

6.2(b)(iii) Liquidated damages should not be associated with delays of renewing or increasing an LOC. Such an issue should be an Event of Default with cure period.

7.1 Providing representations at time of the Effective Date is common practice; repeating each representation every quarter is not typical. Will IESO also provide quarterly representations?

10.2(d)(i) Payment due to Buyer as a result of a pre-COD termination should be in the amount of Completion and Performance Security, less any Delay Damage already paid. Supplier total liability prior to COD should be the amount of the Completion and Performance Security.

10.4 If Buyer does not cure an Event of Default and Supplier terminates the agreement, Buyer's liability should not be limited to the accruing payments only up to the Termination Date.

15.3(c) Provision states that "All Outages" shall take place in accordance with notices of Outages provided by the Supplier to the Buyer. IESO should consider revising the provision from "All Outages" to "Planned Outages" because "Outages" also include forced outages that are outside of supplier's control and notification ability