

Feedback Form

Long-Term 2 RFP – September 12, 2024

Feedback Provided by:

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Following the LT2 RFP September 12, 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 [Long-Term RFP \(ieso.ca\)](#).

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 September 27, 2024.

LT2 RFP Deliverability Guidance – Update

Topic	Feedback
Do you have any feedback to share regarding the updated Preliminary Connection Guidance document?	
Do you have any feedback to share on the procedure to request access to the transmission system map or process to request pre-submission consultations?	
Do you have any feedback on the types of information that you would like to see in the LT2 Capacity RFP Guidance Document?	

LT2 RFP Design – Policy Considerations

Topic	Feedback
Do you have any feedback to share on the policy considerations outlined in the August 29, 2024, letter from the Minister of Energy and Electrification to the IESO?	

Draft LT2 Energy RFP and Contract

Topic	Feedback
Do you have any feedback regarding the recently posted LT2(e) RFP?	
Do you have any feedback regarding the recently posted second version of the LT2(e) Contract?	
Do you have any feedback to share on the proposed Rated Criteria for the LT2(e) RFP?	

Topic	Feedback
<p>Do you have any feedback to share on the proposed mandatory requirements for the LT2(e) RFP, including Municipal and Indigenous Support Resolutions requirements as well as requirements for siting projects on Crown Land?</p>	
<p>Do you have any feedback to share on the Indigenous and Community Engagement requirements for the LT2(e) RFP?</p>	

Key Themes from Recent Stakeholder Feedback

Do you have any feedback to share on the IESO responses to recent stakeholder feedback?

Excess Deemed Revenue

Capital Power disagrees that Suppliers should pay the Buyer the absolute value of the Monthly Payment if the calculation of the Monthly Payment is negative.

Capital Power maintains its position that RFP proponents are exposed to several risks that could result in a disconnect between deemed revenue and actual market revenues. FWAP being based off forecasts and the exclusion of negative priced hours in the deemed revenue calculation creates the potential for higher deemed prices than actual prices when the facility runs. Proponents will also remain exposed to some day-ahead price risk that further disconnects deemed revenue and actual revenue, even with the inclusion of DARTA. Further, proponents cannot reasonably assess how prices or market behaviour will evolve under MRP and the EPPA construct remains untested.

Proponents continue to hold DART risk, forecast risk, market risk, and contractual risks. With this in mind, we respectfully disagree that there is an asymmetric benefit for proponents if they were to keep excess revenues. We also point out that the IESO has not shared any statistical evaluation of their day-ahead and real-time wind forecast error, analysis on why they believe the 85% DARTA fully removes all risk for proponents, or information on why they believe there is an asymmetric benefit – information that will support proponents in their RFP submissions. It is for these reasons we continue to submit that excess deemed revenue should be shared between suppliers and the IESO rather than being clawed back.

Excess Deemed Revenue Sharing Framework

Capital Power also submits that the sharing of excess deemed revenue should not be optional for proponents. This sharing framework should be included within the base contract. The additional optionality in an already complex RFP adds little benefit to the IESO or proponents. The sharing framework should be offered to all intermittent resources.

Topic	Feedback
	<p data-bbox="743 163 1079 205"><i>Non-performance penalty</i></p> <p data-bbox="743 247 1481 562">Capital Power thanks the IESO for including adjustments for zero priced hours in the non-performance penalty calculation. However, we remain concerned that grid operator instructions such as ramp down or curtailment requests, directives, outages or derates on the transmission/distribution system, or other events outside the suppliers' control is not considered. They should also be contemplated within calculation.</p>

General Comments/Feedback