

Feedback Form

Long-Term 2 RFP – December 12, 2024

Feedback Provided by:

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Date: January 10, 2025

Following the LT2 RFP December 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 [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 January 10, 2024.

Overview of directive and LT2 updates

Question	Feedback
<ul style="list-style-type: none">Do you have any comments for the IESO regarding the proposed targets for the first submission window and/or the range of targets proposed for future windows?	
<ul style="list-style-type: none">Do you have any comments for the IESO to consider regarding the proposed timeline for the first submission window?	

LT2 (c) – High Level Overview of RFP and Contract

Question	Feedback
<ul style="list-style-type: none">Do you have any comments for the IESO regarding the newly proposed rated criteria related to duration?	

LT2(e) and LT2(c) RFPs and Contracts

Question	Feedback
<ul style="list-style-type: none">Do you have any comments related to the treatment of support confirmations across windows?	
<ul style="list-style-type: none">Do you have any comments related to the proposed new requirement for evidencing that a project is on Unincorporated Territory?	
<ul style="list-style-type: none">Do you have any comments regarding the proposed early COD multiplier?	

Deliverability Guidance

Question	Feedback
Do you have any comments around the Deliverability for Windowed Approach?	
Do you have any general comments you would like to share around the deliverability guidance or test methodology information presented for window 1?	

General Comments/Feedback

I am writing to you on behalf of a coalition of cogeneration suppliers and consultants with decades of experience building efficient systems for Ontario’s industrial and agricultural sectors to recommend the government give priority and or carve out a portion of the LT2 procurement target (e.g. 250 MW) for smaller, distribution-connected, co-located projects.

As the energy market becomes increasingly dynamic and complex, emphasizing the role of these smaller, distribution-connected and co-located projects will help ensure that the government will secure needed reliable energy supplies to meet procurement objectives.

Further, we recommend that smaller, distribution-connected, co-located projects that meet diversified farm use criteria as per the Provincial Policy Statement should not be subject to an Agricultural Impact Assessment and should not be penalized by the loss of any rated criteria points for being cited on agricultural land.

The rationale for prioritizing and carving out a portion of the procurement target for these projects and providing an exemption for diversified farm use projects are as follows:

- 1. Delivering Economic Benefits by Reserving a Portion of the Procurement for Co-located Facilities:** the IESO has taken the reasonable and necessary steps to require proponents to secure local approval for projects to be able to submit a bid. We encourage strengthening this local oversight by reserving a portion of the procurement targets for smaller, distribution-connected projects that are designed to be co-located with industrial, manufacturing, agricultural or other facilities that provide direct local economic benefits to communities in which they are located.
- 2. Providing Reliability and Grid Services by Prioritizing Distribution-Connected Facilities:** Prioritizing distribution-connected resources enhances grid resilience and efficiency while reducing transmission costs. By leveraging localized energy generation and storage,

distribution-connected resources can alleviate stress on the transmission network, minimize energy losses, and provide faster, more flexible responses to grid demands. Additionally, they empower communities to adopt clean energy solutions, aligning with decarbonization goals and fostering energy equity by creating opportunities for localized economic growth and participation in the energy transition.

3. **Reducing Regulatory Challenges and Improving Social Acceptability with Smaller, Co-Located Facilities:** by carving out a portion of the procurement for smaller facilities (e.g., less than 25 MW) will result in a more streamlined approval process and more chance of successful project implementation. These projects are less likely to face community opposition and create political challenges, while falling below thresholds for larger facilities that would impose significant regulatory challenges, for example the Clean Electricity Regulations.
4. **Supporting the Agricultural Sector by Facilitating Diversified Farm Use Projects:** Diversified farm use offers numerous benefits by integrating various agricultural activities to maximize efficiency, sustainability, and profitability. By adopting and respecting the Provincial Policy Statement definition of diversified farm use, the IESO will be empowering the agricultural sector to make the best choices for their operations, and supporting them by providing them opportunities to supply needed heat and power to their facilities to meet local energy needs for growing crops and supporting agricultural operations.

Prioritizing and allocating a portion of the LT2 procurement target for smaller, distributed and co-located facilities and removing the agricultural impact assessment requirements for these facilities will result in a more successful procurement that delivers needed local reliability and economic development benefits and is accepted by local communities.

I would be happy to discuss this further and explore how the LT2 procurement can better prioritize these smaller, distribution connected facilities. Please let me know a convenient time to connect.

Thank you for your consideration

Richard

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