

Feedback Form

Long-Term 2 RFP – April 24, 2025

Feedback Provided by:

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Date: May 9, 2025

To promote transparency, feedback submitted will be posted on the LT RFP engagement page unless otherwise requested by the sender.

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

Following the LT2 RFP April 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 LT2 [engagement web page](#).

Note: The IESO will accept additional materials where it may be required to support your rationale provided below. When sending additional materials please indicate if they are confidential.

Please submit feedback to engagement@ieso.ca by May 9, 2025.

Tariff Risk Mitigation

Do you have any comments related to the tariff risk mitigation concepts presented during the webinar?

Northland Power appreciates the IESO's efforts to address the risk of tariffs. In general, Northland is supportive of the three approaches proposed by the IESO.

With respect to the two-stage proposal submission, additional time may provide some additional certainty on tariffs, though it may not. In any event, the requirement to post proposal security should be tied to the submission of the proposal price, not any earlier.

With respect to the pre-COD price escalation proposed, this is a helpful mitigation tool for capital cost increases, and not necessarily tied specifically just to tariffs. In fact, the impacts of specific tariffs may not be well captured by broad backward-looking indices. Nevertheless, this escalator would be helping in capturing acute inflation-related increases, such as those experienced in 2022.

With respect to proposed re-bid process, Northland appreciates that the bespoke nature of potential re-bid scenarios means the IESO needs to retain discretion over which re-bids are accepted. For proponents to accept this mechanism as addressing their tariff concerns – and thus removing risk adders from their proposal prices – they would need comfort that their entire securities would be returned if the IESO were to reject their re-bid proposal and the project were to be uneconomic through no fault of their own. Otherwise, the IESO may end up in a situation where risk adders have been included in bid prices AND re-bids are being sought.

Additional feedback includes covering the risk of tariffs all the way until the equipment has landed, allowing for the re-bid mechanism to be used as many times as tariff changes dictate, and endeavoring to put some guidelines around the IESO's discretion to accept or reject re-bids.

LT2 RFP and Contract Updates

Do you have any comments related to the other RFP and Contract updates presented during the webinar?

The IESO acknowledges the challenges posed by current long lead times for gas turbines and the potential impact this could have on achieving MCODs. Northland submits that these long-lead time concerns are not limited to just turbines, but high voltage switchgear, generator step up transformers, and certain other electrical equipment as well. Northland encourages the IESO to expand any long-lead time mitigation mechanisms to include these items. Additionally, liquidated damages are not appropriate in circumstances where the IESO and proponent are aware of the potential delay well in advance of the bid window. Penalizing proponents for this known, largely intractable risk, will only encourage them to build the cost of potential liquidated damages into their bid prices.

LT2 RFP Requirements for Crown Land Projects

Do you have any comments regarding the new Proposal Submission requirements for Crown Land Projects?

Not at this time.

LT2 RFP Deliverability Update

Do you have any comments regarding the deliverability guidance updates presented during the webinar?

Not at this time.

General Comments/Feedback

Not at this time.