

Feedback Form

Long-Term RFP – February 8, 2022

Feedback Provided by:

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Following the February 8th public webinar on the Long-Term RFP, the Independent Electricity System Operator (IESO) is seeking feedback from participants on a variety of elements to help further inform the draft RFP and Contract, including: potential revenue streams, contracting mechanisms, term length and forward period, ability of resources to meet mandatory requirements and rated criteria, as well as the general approach to the RFQ including the proposed method to evaluate finances and experience.

The referenced presentation can be found on the [Long-Term RFP webpage](#).

Please provide feedback by February 18, 2022 to engagement@ieso.ca.

Please use subject header: **Long-Term RFP**. To promote transparency, this feedback will be posted on the [Long-Term RFP webpage](#) unless otherwise requested by the sender.

The IESO will work to consider and incorporate comments as appropriate and post responses on the webpage.

Thank you for your contribution.

Revenue Streams

Topic	Feedback
<p>Please provide feedback on the revenue stream options that the IESO proposed.</p> <p>Are there additional revenue streams that proponents see that can be monetized?</p>	<p>No comment at this point.</p>
<p>Other jurisdictions have procured new-build resources under long-term agreements through a variety of contract types (power purchase agreements, capacity only contracts, capacity contracts with energy components, etc.). What lessons do stakeholders have from their experience with these other contracting mechanisms?</p>	<p>No comment.</p>
<p>What opportunities do stakeholders see in the future to monetize environmental attributes ?</p>	<p>It is difficult to forecast environmental attribute opportunities in Ontario as the newly announced Clean Energy Credits plan is still in infancy. In addition, many renewable resource contracts will expire over the term of the long-term contract placing more environmental attributes seeking to be monetized as the EAs revert to the resource owners.</p> <p>Current opportunities include exporting EA to neighbouring markets or marketing to corporate entities seeking to achieve their ESG targets. Both options may be restricted as more EAs are available as renewable contracts expire.</p>

Term Length and Forward Period

Topic	Feedback
Please provide feedback on the options for additional term-length that the IESO proposed.	Recognizing capacity requirements are appearing earlier due to economic recovery and broader electrification, providing incentive for early COD is appropriate. The option for alternative term lengths may introduce complexities for evaluation criteria and continued market procurement processes if contract expiration is unique for all resources. Contracts should expire coincident with timeframes of future procurement mechanisms to eliminate the need for special considerations.
Do stakeholders feel that the options presented provide proponents with some certainty from an investment and/or financing perspective?	At a high-level the options provide a path to developing a more detailed framework that can lead to investment/financing stability.
What are some options for additional term that the IESO should consider?	No comment.
<p>Are stakeholders aware of any resources (new-build and/or expansions to existing resources) that able to come into service as early as 2025?</p> <p>What challenges would resources face with being fully operational by 2025?</p> <p>Please provide any additional information that may help inform the IESO of potential projects and their development timelines, in order to help guide discussions around LT I RFP forward periods.</p>	One of the challenges for a 2025 COD may be supply chain. There currently are difficulties procuring some electrical equipment with up to a year for delivery. Any delay in the RFP process that results in a later contract execution will make it extremely difficult to meet a 2025 timeline.

Mandatory Requirements and Rated Criteria

Topic	Feedback
Please provide feedback on the mandatory requirements the IESO proposed.	No comment

Topic	Feedback
<p>The IESO presented a number of technical characteristics that are desirable from a system value perspective, that may form rated criteria in LT I RFP.</p> <p>Please provide feedback on the characteristics proposed and their applicability as rated criteria.</p>	<p>Of the minimum 1,000 MW of UCAP proposed, how much is required in the Southwest and how much is required East of FETT? Please provide clearer electrical and physical boundaries for the preferred locations. Discussion during the presentation suggested the Northeast is considered East of FETT. Are there areas within the province that would not be considered for this RFP? Will projects only within these preferred boundaries be considered?</p>

RFQ

Topic	Feedback
<p>Do stakeholders feel that the high level approach proposed for the RFQ satisfies the IESO's goal of ensuring that interested parties have the capability to undertake project development for the LT I RFP, while also enabling competition?</p>	<p>Appreciating the need for proponents to meet the tight timelines there is a requirement for the IESO to ensure the RFQ qualifies parties capable finishing a project. There is a risk too stringent requirements will limit competition. How will the IESO adapt the qualification criteria if it becomes apparent more proponents are required to ensure sufficient competition?</p>

General Comments/Feedback

The Ontario Energy Association fully supports the IESO's Resource Adequacy framework and recognizes the Long-Term RFP process is a fundamental part. Promoting competitive market processes has been a foundation of the OEA, procuring capacity through a competitive LT-RFQ/RFP provides the markets signals our members seek. The OEA looks forward to participating in the RFQ and RFP stakeholder process as the IESO and participants produce a framework to continue the evolution of Ontario's wholesale electricity market.