

Feedback Form

Long-Term RFP – March 10, 2022

Feedback Provided by:

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Date: March 17th, 2022

Following the March 10th 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: term length, revenue streams, deliverability process and Draft RFQ.

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

Please provide feedback by March 17, 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.

Term Length

Topic	Feedback
Does the revised, 15-year term length provide stakeholders with sufficient certainty for project financing and development?	Bedrock appreciates that the IESO has considered increasing term length due to feedback from respondents to the February 18 th submission deadline. However, Bedrock believes that the more ideal term length should better coincide with the useful life of the facility in order to amortize the capital costs over a longer period of time, reduce the need for arbitrary assumptions about the value of the facility at the end of the term of the agreement, and thereby reduce electricity costs for the ratepayer.

Revenue Streams

Topic	Feedback
Are stakeholders supportive of the high level approach for additional revenue streams, discussed in slides 26-28?	No specific feedback at this time.
Does an option with a capacity payment and energy market hedge provide stakeholders with sufficient certainty?	Based on our understanding of the current revenue regime for capacity and energy, Bedrock believes that it does not provide stakeholders with sufficient certainty.
Do stakeholders believe that the high level revenue stream option supports efficient market operation? Are there additional considerations that could help support energy market efficiency?	No specific feedback at this time.

Deliverability Process

Topic	Feedback
Do stakeholders have any comments on the deliverability process laid out on slides 34-36?	No specific feedback at this time.
Does the general timing of the proposed deliverability process (i.e., a deliverability assessment window prior to proposal submission) provide stakeholders with enough clarity on the deliverability of their proposed project?	No specific feedback at this time.

Do stakeholders have any general comments on the draft RFQ as discussed on slides 37-46?

Please note that specific draft RFQ feedback is requested on the feedback form sent alongside the draft RFQ on February 28.

To reiterate our previous comments, Bedrock understands the IESO's need for qualifications that will help ensure that selected projects achieve completion. The RFQ qualification requirements are quite prescriptive in that they require RFQ applicants to (a) have directly owned (or controlled an entity that directly owned) two projects, and (b) to have a certain number of "principals, officers or employees" who have experience in (i) planning, developing, financing, constructing and operating a project, and (ii) offering, scheduling, dispatching and operating a project. (As far as we are aware, the requirement in (ii) is being introduced for the first time in an IESO procurement process.) If such thresholds are established so early in the process then before the IESO is even in a position to evaluate the merits of a project it will eliminate a number of developers. The only projects that will remain will be those of incumbent developers that have a business model (and corresponding staff complement) that takes a project from development and retains it through operation. This would not reflect the history of successful renewable and clean power development in Ontario where many projects are initiated by smaller and more innovative or entrepreneurial developers who partner with, or divest wholly or partially to, more established strategic or financial investors. Such thresholds also do not reflect the reality of current market practice where expertise in a number of areas, such as O&M and market operations, are contracted out to specialized and efficient service providers. Bedrock reiterates that the IESO would obtain greater ratepayer value, or at least have the opportunity to assess a broader range of potentially valuable projects, by allowing greater flexibility in (i)

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	<p>demonstrating corporate or employee experience (e.g. through lower levels of equity participation (i.e. less than “Control”) to still obtain experience credits or through service or consulting agreements with experienced contractors), and (ii) permitting changes without consent (or with reasonable preconditions) in applicants’ structures, in particular changes of control (e.g. permitting such changes at the time of contract execution) throughout the procurement process.</p> <p>In addition to these previous suggestions, Bedrock would recommend: (i) postponing the demonstration of such qualifications to the time of contract award so that the IESO would have the ability to consider proposed projects on their technical merits before considering an applicant’s qualifications, and (ii) instead of treating qualifications on a pass/fail basis, such qualifications be subject to a relative ranking or point system (which has been done in the past).</p>

General Comments/Feedback