

Feedback Form

Long-Term RFP – March 10, 2022

Feedback Provided by:

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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 engagemejnt@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?	While CanREA appreciates the extension of contract length to 15-years from the 7-10 years initially proposed, we would like to remind the IESO that other Canadian jurisdictions often offer terms of at least 20 years and therefore a 15-year term would put Ontario at a competitive disadvantage.

Revenue Streams

Topic	Feedback
Are stakeholders supportive of the high level approach for additional revenue streams, discussed in slides 26-28?	CanREA is supportive of exploring revenue options for RFP respondents that is above the capacity-only payment initially proposed.
Does an option with a capacity payment and energy market hedge provide stakeholders with sufficient certainty?	An energy market hedge could provide sufficient certainty depending on the implementation. It depends on whether the minimum revenue is applied on an hourly, monthly or annual basis. Participant interest will also depend on whether the minimum is applied against the market price or some technology or facility "deemed" value as has been used on other contracts. The IESO should also consider simpler compensation models to minimize administrative burden and maximize participant interest.
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?	It is not clear how much value market participants will place on the potential upside market revenue. Therefore, the bid prices from a floor contract vs. fixed price contract may not be very different, with the only result is that high prices could result in a windfall to the generator instead of funds being returned to the IESO for the benefit of consumers.

Deliverability Process

Topic	Feedback
Do stakeholders have any comments on the deliverability process laid out on slides 34-36?	CanREA is concerned that the deliverability assessment accurately contemplates the behaviour of storage and hybrid systems that participate in the RFP. It is also essential that the deliverability assessment be consistent with the implementation timeline for the two proposed hybrid participation models.
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?	

Draft RFQ

Topic	Feedback
Do stakeholders have any general comments on the draft RFQ as discussed on slides 37-46? <i>Please note that specific draft RFQ feedback is requested on the feedback form sent alongside the draft RFQ on February 28.</i>	CanREA will provide comments to the draft RFQ through the draft RFQ feedback form.

General Comments/Feedback

CanREA continues to be concerned that the 4 hour duration requirement is not justified for the Ontario market at this time and that a lack of proper analysis of this issue will result in inefficient procurement on the LT1 RFP and ultimately higher costs for Ontario consumers. CanREA requests the publication of any studies or analysis on which the IESO is relying on in making the 4 hour duration requirement.

CanREA also suggests the IESO engage with other permitting and regulatory agencies to ensure that their process will allow for development in the tight timelines proposed in the LT1 RFP. Development of renewable, storage and hybrid facilities, which are among the fastest technologies to deploy, are still challenged to be available by 2027 let alone 2025. It would be unfortunate if the LT1 RFP process is inefficient or unsuccessful because the requirements of other agencies prohibit full participation by market proponents.