

Feedback Form

Draft Long-Term RFQ – Posted February 28, 2022

Feedback Provided by:

Name: David Oxtoby

Title: CEO

Organization: CarbonFree Technology Inc.

Email: [REDACTED]

Date: March 31, 2022

The Independent Electricity System Operator (IESO) is seeking feedback from participants on the draft Long-Term Request for Qualifications (LT1 RFQ). The LT 1 RFQ will seek to ensure that interested parties have the capability to undertake project development for the LT1 RFP and will seek to evaluate applicants both on corporate experience and employee experience.

The draft LT1 RFQ can be found on the [Long-Term RFP webpage](#).

Please provide feedback by March 31, 2022 to engagement@ieso.ca.

Please use subject header: **Draft Long-Term 1 RFQ**. 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.

Draft LT 1 RFQ

Topic/ RFQ Section

Feedback

Qualification Submission

Qualification Submission Fee / Section 2.7 (b)(i)

"Interested parties should expect that any LT1 RFP will require significant financial security for purposes of proposal security and performance security under any future LT1 RFP." CarbonFree would encourage the IESO to make any proposal security refundable, and to keep proposal security to modest levels while making performance security meaningful.

Mandatory Requirements for Large-Scale LT1 Projects

Large-Scale Entity Development Experience / Section 3.2 (a)(i)

No feedback.

Mandatory Requirements for Large-Scale LT1 Projects

Large-Scale Individual Development Experience / 3.2 (a)(ii)

No feedback.

Mandatory Requirements for Large-Scale LT1 Projects

Market Operating Experience / 3.2 (a)(iii)

CarbonFree has two comments:

- a) Given that Control Groups for projects may change over time, we believe it would be more appropriate for the time limitation for Market Operating Experience to match the 10 years applied to the Development Experience; and
- b) Given that it is very common for Control Groups to subcontract legal responsibility for some aspects of project operations to third-party O&M contractors -- especially for large projects -- we believe the definition of experience should be expanded to include phrase "or contracting for these services".

Topic/ RFQ Section	Feedback
<p>Mandatory Requirements for Small-Scale LT1 Projects</p> <p>Small-Scale Entity Development Experience / Section 3.2 (b)(i)</p>	<p>Given that submissions will be due almost five years after the Ontario government cancelled 758 renewable energy contracts, we believe it would be fairer to local applicants to increase the time period to ten (10) years prior.</p>
<p>Mandatory Requirements for Small-Scale LT1 Projects</p> <p>Small-Scale Individual Development Experience / 3.2 (b)(ii)</p>	<p>No feedback.</p>
<p>Mandatory Requirements for Small-Scale LT1 Projects</p> <p>Market Operating Experience / 3.2 (b)(iii)</p>	<p>Experience as defined means "offering, scheduling, dispatching and operating" generating or storage facilities.</p> <p>CarbonFree has three comments:</p> <ul style="list-style-type: none"> a) It is not clear if the requirement is to have done this for one (1) project or for at least five (5); b) FIT projects sized 500kW often had the right to inject power and did not need to be scheduled or dispatched, so requiring this experience is prejudicial to Ontario applicants; and c) Given that some Control Groups may have subcontracted operations to a third-party we believe the definition of experience should be expanded to include phrase "or contracting for these services".

General Comments/Feedback

1. **Minimum time period.** IESO is seeking generation and storage facilities "which can deliver a continuous amount of Electricity to a connection point on a Distribution System or Transmission System for at least four (4) consecutive hours". Please clarify what minimum time period facilities can rely on after the 4 hours before they are required to be dispatchable again.
2. **Definition of "Control".** The definition describes ownership based on ownership of securities required to appoint more than 50% of the individuals responsible for supervision or management, but for greater clarity this definition could include a

sentence saying "In the case of a limited partnership, control of the general partner may be deemed to constitute Control."

3. **New Build.** The draft defines this as "construction of a new generating or storage facility that is not an Expansion, Upgrade or Redevelopment of an existing generating or storage facility." If the purpose of the LT1 is to provide Ontario ratepayers with access to new capacity at the lowest-possible cost, it is not clear to CarbonFree why expansion, upgrade or redevelopment of existing facilities is disallowed. While it is important to encourage new development as well, we suggest the RFQ be modified to say: "up to 50% of the contract capacity awarded may be for projects that are expansions, upgrades or redevelopments of existing facilities".
4. **Non-Collusion Requirements.** The definition includes the clause "ensure that no member of the RFQ Applicant Team has entered into any agreement or arrangement with any member of another RFQ Applicant which may affect the Qualification Submission submitted by the RFQ Applicant or the other RFQ Applicant." Given the requirement for large-scale Market Operating Experience and the fact that there are only a small number of companies in Ontario performing these activities on a third-party basis, CarbonFree believes that either a) the changes suggested above re Large-scale Market Operating Experience Sec. 3.2 (a)(iii) should be accepted; or b) there should be a carve-out such that multiple Applicants may include the same third-party O&M contractor to demonstrate Market Operating Experience.