

# Feedback Form

## Draft Long-Term RFQ – Posted February 28, 2022

### Feedback Provided by:

Name: John Kozak

Title: Vice President

Organization: Solar Flow-Through Fund

Email: [REDACTED]

Date: April 13, 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](mailto: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)

No comment.

#### Mandatory Requirements for Large-Scale LT1 Projects

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

In s. 3.2 (a)(i)(A) the BTM exclusion needs to be removed so that energy storage developers are not disadvantaged in this RFQ process. A good deal of energy storage development in Ontario has been for BTM projects. The skills and experience gained by developers with these projects is entirely relevant to front-of-the-meter projects.

In s. 3.2 (a)(i)(A) the references to "nameplate capacity" is problematic for solar photovoltaic ("solar PV") facilities and energy storage facilities since it is a term associated with generation technologies that have a prime mover. We suggest referring to the FIT Contract Capacity instead. Additionally, there are typically two primary indicators of size for energy storage projects – capacity in MW and duration in MWh. Requiring experience in developing two or more 5 MW projects significantly disadvantages solar PV and energy storage developers since installations of this size are not all that common here.

The requirements specified in the draft RFQ will prevent participation from organizations that have successfully completed demonstration projects and are actively participating in the IESO markets from participating in the LT1 RFP. We do not believe that it is the IESO's intention to limit participation from organizations that can provide significant benefits to the Ontario electricity grid. If a project proponent has successfully operated even a single project in Ontario, they would have demonstrated

Topic/ RFQ Section	Feedback
	<p>the capabilities required to develop projects. We also find the 5 MW size is arbitrary and is not linked to any specific project experience that would make a developer more credible. We recommend eliminating the Large/Small project classification entirely and rather focus on projects that were recently built in the last major IESO procurement, i.e., FIT. An RFQ Applicant or its Control Group Member should be qualified if has brought FIT projects into service totalling 5 MW of installed capacity. In other words, aggregated projects totalling at least 5 MW of installed capacity ought to constitute a Qualifying Large-Scale Project.</p> <p>In s. 3.2 (a)(i) (B) and (b)(i)(B), what constitutes sufficient <i>"evidence of applicable securities holdings ..."</i> to demonstrate ownership or control of a project. This is a mandatory requirement and needs to be expressed as clearly and objectively as possible.</p>
<p><b>Mandatory Requirements for Large-Scale LT1 Projects</b></p> <p>Large-Scale Individual Development Experience / 3.2 (a)(ii)</p>	<p>In s. 3.2(a)(ii) the requirement for two Team Members to have experience in planning, developing, financing, constructing, and operating a Qualifying Large-Scale Project is restrictive for solar PV and energy storage projects. The skills and experience of developing smaller-scale projects are just as relevant</p> <p>We suggest that the definition of Designated Team Member should include contractors and consultants that are brought on to the project team.</p> <p>In s. 3.2 (a)(ii) (D), there needs to be some flexibility at the RFP stage to substitute in an RFQ-approved Designated Team Member in the event the person is no longer with the</p>

Topic/ RFQ Section	Feedback
	<p>proponent or is no longer capable of being on the team on a going forward basis. Section 2.10(c) leaves far too much discretion in the IESO's hands.</p>
<p><b>Mandatory Requirements for Large-Scale LT1 Projects</b></p> <p>Market Operating Experience / 3.2 (a)(iii)</p>	<p>This requirement disadvantages solar PV and energy storage because there are not a lot of these projects operating in the Ontario markets currently. As mentioned above, proponent teams should be permitted to include consultants and contractors. This is consistent with past practice in PJM and AEMO (Australia) which allow developers to contract with third-party operators to operate the facility.</p> <p>The RFQ refers to "offering, and dispatching ..." a Qualifying Large-Scale Project. The facility operator will not be scheduling and dispatching such projects. This is done by the market operator. The entity operating the project will respond to dispatch instructions only.</p> <p>The requirement to submit a statutory declaration attesting to the accuracy of a resume seems onerous to us. This requirement should be removed.</p>

Topic/ RFQ Section	Feedback
<p data-bbox="188 163 854 233"><b>Mandatory Requirements for Small-Scale LT1 Projects</b></p> <p data-bbox="188 268 873 338">Small-Scale Entity Development Experience / Section 3.2 (b)(i)</p>	<p data-bbox="935 163 1515 478">In s. 3.2 (b)(i)(A) the BTM exclusion needs to be removed so that energy storage developers are not disadvantaged in this RFQ process. A good deal of energy storage development in Ontario has been for BTM projects. The skills and experience gained by developers with these projects is entirely relevant to front-of-the-meter projects.</p> <p data-bbox="935 506 1515 898">In s. 3.2 (b)(i)(A) the references to “nameplate capacity” “nameplate capacity” is problematic for solar PV facilities and energy storage facilities since it is a term associated with generation technologies that have a prime mover. We suggest referring to the FIT Contract Capacity. Additionally, there are typically two primary indicators of size for energy storage projects – capacity in MW and duration in MWh.</p> <p data-bbox="935 926 1515 1192">In s. 3.2 (b)(i) (B) and (b)(i)(B), what constitutes sufficient “<i>evidence of applicable securities holdings ...</i>” to demonstrate ownership or control of a project? This is a mandatory requirement and needs to be expressed as clearly and objectively as possible.</p>
<p data-bbox="188 1289 854 1358"><b>Mandatory Requirements for Small-Scale LT1 Projects</b></p> <p data-bbox="188 1394 873 1463">Small-Scale Individual Development Experience / 3.2 (b)(ii)</p>	<p data-bbox="935 1331 1515 1640">In s. 3.2 (b)(ii) (D), there needs to be some flexibility at the RFP stage to substitute in an RFQ-approved Designated Team Member in the event the person is no longer with the proponent or is no longer capable of being on the team on a going forward basis. Section 2.10(c) leaves far too much discretion in the IESO’s hands.</p>

Topic/ RFQ Section	Feedback
<p data-bbox="180 163 857 233"><b>Mandatory Requirements for Small-Scale LT1 Projects</b></p> <p data-bbox="180 268 727 304">Market Operating Experience / 3.2 (b)(iii)</p>	<p data-bbox="935 163 1487 321">This requirement disadvantages solar PV and energy storage because there is not a lot of energy storage operating in markets currently.</p> <p data-bbox="935 363 1511 520">The RFQ refers to “offering, and dispatching ...” a Qualifying Large-Scale Project. Presumably the reference ought to be a Small-Scale LT1 Projects?</p> <p data-bbox="935 562 1487 720">The operator will not be scheduling such projects. This is done by the market operator. The entity operating the project will respond to dispatch instructions only.</p> <p data-bbox="935 762 1471 919">The requirement to submit a statutory declaration attesting to the accuracy of a resume seems onerous to us. This requirement should be removed.</p>

## General Comments/Feedback

The RFQ document needs to say that the pre-qualification process is for both the LT 1 RFP and the expedited procurement process the IESO plans to conduct in the autumn of 2022, as was disclosed during the April 8, 2022, webinar on the 2022 Annual Acquisition Report. Section 1.2 only refers to the LT1 RFP.

### Appendix A – Definitions

1. The definition of RFQ Applicant is restrictive in that it requires the entity that only the experience of the RFQ Applicant or a Control Group Member can be considered. We think it ought to be expanded to all members comprising the RFQ Applicant so that the experience of contractors and consultants can also be considered.

2. The Non-Collusion Requirements definition is unnecessarily restrictive and essentially forces Designated Team Members to work with a single RFQ Applicant only. This will discourage the development of partnership that allow Designated Team Members to diversify their risk.

## Section 2

There are several aspects of Section 2 that should be addressed in finalizing the RFQ.

1. In s. 2.5 (c)(iii) the Excluded Purpose of "influencing (or attempting to influence) government officials, regulatory officials .... with respect to changes in laws, regulations, rules, policies, or guidelines ..." should be removed since it hinders a developer's ability to fast-track the approvals process for its projects. Its removal in no way renders the RFQ less competitive.
2. In s. 2.12 (c) and (d) the Control Group Members and key contact information for the RFQ Applicant (whatever constitutes this) should be removed. It serves no useful purpose to disclose such information.
3. In s. 2.13 (a) to (k), inclusive, the requirement to submit information on a Long-Term Capacity Project should be deleted. It is far too early in the process to require this information and might be meaningless considering the deliverability assessment still needs to be done. Furthermore, such information may influence evaluators notwithstanding the assertion in the RFQ that the information will not be evaluated. If the IESO wants to understand what sorts of projects are potentially available for development, it ought to conduct a separate Request for Information or Expression of Interest process.

## Section 3

As a general comment, it is not clear why related relevant experience is not considered as being valid experience. In LRP II, the concepts of Comparable Facility or Large Complex Infrastructure Project were introduced to permit entities experienced in developing and delivering projects to qualify. It seems that competition would be enhanced if the IESO expanded its definition of project to development. In light of the huge capacity deficit the IESO is facing and recent announcement that the RFP will be expanded to 2500 MW, more developers will be needed not fewer.