

# Feedback Form

## Long-Term RFP – April 20, 2022

### Feedback Provided by:

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Following the April 20<sup>th</sup> public webinar on the Long-Term RFP, the Independent Electricity System Operator (IESO) is seeking feedback from participants on the additional procurement mechanisms, as well as on proposed revenue streams.

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

**Please provide feedback by May 2, 2022 to [engagement@ieso.ca](mailto: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.

## Additional Acquisition Mechanisms: Expedited Procurement

Topic	Feedback
<p>Considering higher security amounts, what incentives are sufficient to encourage expedited project development to meet the 2025 needs (e.g., increased term length, price adders, reduced RFP requirements)?</p>	<p>Term length: 15 year minimum term length is lower than past IESO procurements and other recent utility/ISO procurements. Given the growing supply need in Ontario, longer contracts for energy are in the best interest of both customers and developers so IESO should consider accepting bids for terms up to 30 years.</p> <p>Price adders: Depending on the amount of the price adder this may provide sufficient incentive. A lump sum success fee for a COD in 2025 would also provide significant incentive to developers.</p>
<p>What evidence can proponents include in the proposal to show the advanced stages of project development?</p>	<p>Site Control</p> <p>Milestone schedule showing expected development and construction timeline</p>
<p>Is there any other external support (e.g., from the IESO) that would be needed to help proponents meet expedited development timelines?</p>	<p>We reiterate our previous comments that IESO should now be engaging with relevant government ministries (Energy, Environment and Municipal) to educate them on IESO's energy delivery timelines to ensure resources are available and processes can be streamlined for the evaluation and processing of project applications and technical studies.</p> <p>For example if a project is expected to return a finding of no significant impact, per its fieldwork, the permitting and approval process timelines should not be considered a risk to the project. Also, IESO should encourage prompt coordination between IESO, transmitters, distributors and providing connection data/information tables and capacity availability.</p>

Topic	Feedback
Are the proposed timelines acceptable to proponents? (slide 23 of April 20 presentation)	Yes
Do the timelines for the Expedited procurement offer sufficient time for proposal preparation? (slide 23 of April 20 presentation)	Yes
Any further general comments on the Expedited procurement?	<p>BluEarth was successful in the Large Renewable Procurement ("LRP") with our 54MW Loyalist solar facility, and we are aware of the contract structure and terms used in that competitive process. We understand that the expedited procurement plans to leverage past contractual terms and would be similar to the LT RFP. While contractual terms will be negotiated, IESO should take into consideration the terms that were generally not acceptable to developers during the past procurements in an effort to reduce the negotiation timelines.</p>

## Additional Acquisition Mechanisms: Same Technology Expansions

Topic	Feedback
What milestones (i.e., contract execution) and forward period would be required to support a 2025 in-service date?	
What considerations regarding the existing contracts does the IESO need to take into account in the design of the process?	<p>Any repowering considerations must be approached with the utmost caution while maintaining principles that invoke investor confidence. It should be noted that many project stakeholders (equity and debt providers, communities, Indigenous partners) are participating in these projects based on the fundamental project agreements, of which the IESO contract is primary, and what may work at one project, may not be a fit for others.</p>

Topic	Feedback
Is there any other external support (i.e., from the IESO) that would be needed to help proponents meet expedited development timelines?	As these are existing facilities, land is secured, however new equipment would need to be procured, and changes to regulatory permits will be required such as Connection Assessment Approval/System Impact Assessment for the addition of generation capacity at each site and, Renewable Energy Approvals for the additional generation.
Any further general comments on the same technology expansions?	Note that any expansion must keep original stakeholders whole on investment.

### Additional Acquisition Mechanisms: Forward Capacity Auction

Topic	Feedback
To what extent does a forward capacity auction with longer forward and commitment periods increase interest for prospective auction participants?	
Do stakeholders have any comments on expanded participation and eligibility for resources?	
Do stakeholders have any comments on demand curve parameters?	
Do stakeholders have any comments on interactions with the annual capacity auction including target capacities?	
Do stakeholders have any input to provide into the design of longer forward and commitment period?	
Do stakeholders have any further comments on other business/stakeholder considerations associated with longer forward periods?	

Topic	Feedback
Any further general comments on the forward capacity auction?	

## LT1 Design Considerations: Revenue Streams

Topic	Feedback
Are stakeholders supportive of the concept of a bundled CFD style approach?	Yes, BluEarth is supportive of a CFD structure.
As per slide 54, is a bundled CFD contract preferred that is either: (1) linked to energy market prices, with a strike price set at a \$/MWh value beyond a capacity payment, or (2) linked to a total revenue requirement \$/MW-month that includes both capacity revenues and energy market revenues?	Option 2.
How can a bundled CFD be best designed in order to ensure resources adhere to energy market incentives, in exchange for investor certainty?	

## LT1 Design Considerations: Mandatory requirements

Topic	Feedback
Do stakeholders have any feedback on the examples of mandatory requirements on slide 63?	None
Are stakeholders supportive of the Indigenous and Municipal mandatory requirements proposed for the LT1 RFP and Expedited procurement on slide 64?	Yes

## LT1 Design Considerations: Rated criteria

Topic	Feedback
Are stakeholders supportive of the rated criteria approach that is proposed for the LT1 RFP and Expedited procurement?	Given the value of clean electricity, this could be added as a rated criteria. Rated criteria should be clearly defined so there is no ambiguity regarding the value and price/evaluation adjustment to be made based on the rated criteria.
Are stakeholders supportive of the Indigenous participation rated criteria proposed on slide 66?	Yes

## General Comments/Feedback

BluEarth appreciates the continuous improvement IESO is making to both the specific procurements and the general communication around future needs. We recommend updating the cadence of procurements as soon as possible as new plans emerge. In addition, further clarification is required regarding Communication with public entities and more specifically the “Permitted Purposes” outlined in the RFQ (pages 9/10). For example, how generators can continue to engage w IESO during this uniquely dynamic RFQ/RFP process and how generators can engage with municipalities to “attain a Municipal Council Support Resolution” as envisioned as a mandatory criteria in the RFP while respecting the guidance on Permitted Purposes.