

# Feedback Form

## Draft Long-Term RFQ – Version 2 posted April 22, 2022

### Feedback Provided by:

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Date: April 29, 2022

The Independent Electricity System Operator (IESO) is seeking feedback from participants on the proposed revisions captured in version 2 of the draft Long-Term Request for Qualifications (LT1 RFQ). The LT1 RFQ will seek to ensure that interested parties have sufficient financial capacity and experience to undertake project development for the LT1 RFP.

The draft LT1 RFQ 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: ***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

<b>Topic/ RFQ Section</b>	<b>Feedback</b>
<b>Qualification Submission</b>  Qualification Submission / Section 2.7 (b)(i)	SWEB requests clarification on Section 2.13 Information on Long-Term Capacity Project(s). SWEB understands that a minimum of one proposed Long-Term Capacity project description must be submitted. Can the IESO confirm if RFQ Applicants need to submit a description of all potential Long-Term Capacity Projects the RFQ Applicant intends to bid in the RFP? Can the RFQ Applicant bid additional Long-Term Capacity Projects that are not listed in the RFQ submission if deemed a Qualified Applicant? Additionally, can the proposed Long-Term Capacity Projects be updated between RFQ and RFP submissions (nameplate capacity, etc.)?
<b>Team Member Mandatory Requirements</b>  Large-Scale Team Member Experience / Section 3.2 (a)	SWEB agrees with the April 22, 2022 draft as written.
<b>Team Member Mandatory Requirements</b>  Small-Scale Team Member Experience / Section 3.2 (b)	SWEB agrees with the April 22, 2022 draft as written.
<b>Evaluation of Entity Development Experience Threshold</b>  Large-Scale Entity Development Experience Threshold / Section 3.3 (a)	SWEB agrees with the April 22, 2022 draft as written.
<b>Evaluation of Entity Development Experience Threshold</b>  Small-Scale Entity Development Experience Threshold / Section 3.3 (b)	SWEB agrees with the April 22, 2022 draft as written.
<b>Determination of Eligibility</b>  Section 3.4	SWEB agrees with the April 22, 2022 draft as written.

## General Comments/Feedback

SWEB is providing feedback on the following four topics:

1. Proposal Security for the LT1 RFP
2. Term Length
3. Indigenous Participation
  - a. Geographic Location
  - b. Level of Participation
4. Project Location

### 1. Proposal Security for the LT1 RFP

The IESO is currently proposing a proposal security amount of \$30,000/MW for both Large-Scale and Small-Scale LT1 Projects, with a minimum security of \$500,000 and \$300,000 respectively. While SWEB understands that the IESO is looking for experienced developers with mature projects, SWEB believes that the proposal security is too high and could be overly preventative. SWEB recommends a non-refundable proposal security of \$20,000 per Large-Scale project, and \$10,000 per Small-Scale project. This fee structure is similar to the proposal security fees required for the LRP I RFP. If the IESO is uncomfortable with this similar structure, then SWEB still recommends a lower overall proposal security, but only allots a portion of security as non-refundable. For example; the IESO could require a proposal security of \$10,000/MW with a minimum security of \$150,000 and \$75,000 for Large-Scale and Small-Scale Project respectively, where \$20,000 of each Large-Scale Project, and \$10,000 of each Small-Scale project proposal security would be non-refundable to account for work tendered during the proposal review stages.

SWEB also urges the IESO to provide clarity on:

- how long the proposal security will be held
- if any of the security will be put towards proposal and project review
- when Applicants can expect to receive the proposal security (or a portion of) back, in the event that projects are or are not selected.

### 2. Term Length

SWEB appreciates that the IESO has taken the Term Length feedback into consideration and has extended the proposed contract term from 7 – 10 years to 15 years. However, SWEB recommends that the Term Length be extended to a minimum of 20 years to be in line with other jurisdictions' markets. Additionally, the Ontario electricity market is highly regulated and there are limited other offtake streams available after the initial 15-year term. A 15-year term also proves to be more challenging when completing financing. Many financing entities prefer contract terms of now upwards of 30-year terms.

### 3. Indigenous Participation

- a. Geographic Location
- b. Level of Participation

SWEB recommends that IESO follows the structure of the LRP I RFP procurement and allows Indigenous communities from various geographic locations to participate in projects, regardless of the project's physical geographic location.

SWEB also recommends that the IESO define a specific points allowance scale based on the level of Indigenous Participation. The points allowance should be large enough to favor projects which can show Indigenous economic interest of greater than 50%.

### 4. Project Location

SWEB recommends that the IESO Zone Map is provided as part of the RFP Document. The Zone Map will outline the Zones where resources are most needed (West and East of FETT). A Zone Map is a solid resource for applicants to easily identify which zone their projects fall into.