

Feedback Form

Long-Term RFP – June 9, 2022

Feedback Provided by:

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Following the June 9th 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 June 20, 2022 to 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 Mechanisms: Overview and Linkages

Topic	Feedback
Please provide any feedback on the IESO's overview of the Additional Mechanisms (Expedited Process, Same-Technology Expansions, FCA) and the linkages between acquisition mechanism (e.g., Expedited Process and LT1 RFP, or LT1 RFP and LT2 RFP)	We have installed a 5.3 MW co-generation plant in 2020 and have successfully operated the plant which was commissioned in June/20. We feel with this experience we would be great candidates to expand our existing plant and establish a new generation plant at our second location of Truly Green.

LT1 RFP and Expedited Process: Mandatory Requirements and Rated Criteria

Topic	Feedback
Please provide any feedback on the Mandatory Requirements and Rated Criteria proposed for the LT1 RFP and Expedited Process.	While we have operated our plant for two years now, prior experience does put us in a favourable position for expanded generation. Prior to commissioning our project in 2020, we were on a five year learning experience that allowed us to successfully, design, build and finance a 5.3 MW project. This experience will allow us to take advantage of the expedited process.

LT1 RFP and Expedited Process: Proposed Contract Design

Topic	Feedback
Please provide feedback on the proposed contract design for the LT1 RFP and Expedited Process. The IESO welcomes feedback on the proposed approach for qualifying capacity as well as the proposed Capacity Payment Adjustment Mechanism.	For natural gas fueled generators we strongly recommend a capacity payment adjustment mechanism that reflects the real time cost of natural gas, electricity, carbon charges and maintenance costs to determine the actual net revenues generated as measured against the heat rate stated by the proponent. This either based on deemed or actual running hours.

LT1 RFP and Expedited Process: Proposed Term Lengths

Topic	Feedback
Please provide any feedback on the term length considerations proposed in addition to the incentive mechanism for the Expedited Process.	20-25 years would be appropriate.

Deliverability Assessment

Topic	Feedback
Please provide feedback on the IESO's proposed process for deliverability testing and timelines.	We support the timelines

Additional Acquisition Mechanisms: Same Technology Expansions

Topic	Feedback
Are the descriptions of the different kinds of upgrades/expansions clear and reflective of the options?	Description is clear
What are the interdependencies between the existing contract, any upgrades and on-site expansions that need to be considered?	<p>Upgrading of Equipment/Installations Recently built greenhouse CHP plants generally do not have the ability to upgrade equipment in order to increase the power output. In order to increase the power output, adding more engines will be required.</p> <p>Expansion Best option to expand the power output of existing greenhouse CHP plants is by adding more engines to the site. For most sites this will also require additional transformer capacity and additional metering to accommodate the increased power output.</p> <p>In Service Date Generally, the timeline from obtaining CIA approval, to reaching COD is a period of 16-18 months. Allowing for 3 months to obtain CIA/SIA approvals, to meet a May 2025 COD, contracts should be offered by no later than July of 2023.</p>

Topic	Feedback
<p>Are any interdependencies missing/not fully captured?</p>	<p>Dispatchability Existing projects are automatically dispatched in response to market price or VPP running hours. Installations can run uninterrupted for days or weeks, far exceeding the minimum 8 hour energy duration threshold.</p>
<p>What are the considerations for participating in the Expedited Process or LT1 RFP?</p>	<p>Participation in Expedited Process Greenhouse CHP plants are unique that they can provide the following operational flexibility:</p> <ul style="list-style-type: none"> • Power can be produced when needed. It will take less than 10 minutes to go from standstill to full load operation. • Heat recovered, if not needed during hours when power is being produced, can be stored in large, existing thermal storage tanks for use during hours when heat is required. Even on hot summer days, significant amounts of heat are required in the early morning hours to drive moisture out of the greenhouse. • Should the installation be able to enjoy increased running hours, exhaust cleaning can be added in order to direct the exhaust stream into the greenhouse, where plants will consume the CO2 present in the exhaust • Resulting system efficiencies generally approach or even exceed 90%. • The CHPSOP2 program captured most of the above stated benefits. One option that was left out, was the opportunity to run the CHP plant for self use. Allowing for self generation during hours when installations are not required to export power into the grid, would create an opportunity extract incremental benefits from the installation which in turn could result in a lower bid price.

Topic	Feedback
<p>What other key considerations/risks need to be included to help ensure this initiative is successful?</p>	<p>Key Considerations for Success: Existing projects have operating experience under existing contracts. Highest probability for success of expansion projects is by maintaining a similar compensation structure for the expansion project as what is in place for the existing project. A significant departure from the existing compensation structure may make it difficult to assess the long-term potential and risk of a new contract, which in turn can cause reluctance in pursuing an expansion project.</p>

Additional Acquisition Mechanisms: Forward Capacity Auction

Topic	Feedback
<p>Is expanding eligibility to variable generation, self-scheduling and co-located hybrid facilities in the FCA and ACA a priority for stakeholders? (Refer to slide 99)</p>	
<p>Any feedback and suggestions on how the performance assessment framework may need to be modified to reflect the design differences? (Refer to slide 106)</p>	
<p>Any feedback on potential features that could be considered for the design of the FCA? (Refer to slide 108)</p>	
<p>Is expanding eligibility to variable generation, self-scheduling and co-located hybrid facilities in the FCA and ACA a priority for stakeholders?</p>	

Topic	Feedback
<p>Any feedback and suggestions on how the performance assessment framework may need to be modified to reflect FCA design differences?</p>	
<p>What other design features should be considered to increase the attractiveness of a Forward Capacity Auction as part of IESO's suite of acquisition mechanisms? (Refer to slide 110)</p>	

General Comments/Feedback