

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 are working on a couple projects from 3MW to 10MW

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.	We recommend against the prior ownership requirement as a necessary evaluation criteria. Experience if required should be at least one plant only.

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 generators we suggest a capacity payment adjustment that incorporates the real time cost of natural gas, electricity, carbon charges, maintenance costs and gas transportation to determine the actual net revenues generated as measured against the heat rate stated by the proponent

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.	15-20 years is appropriate term.

Deliverability Assessment

Topic	Feedback
Please provide feedback on the IESO's proposed process for deliverability testing and timelines.	Timelines are acceptable.

Additional Acquisition Mechanisms: Same Technology Expansions

Topic	Feedback
Are the descriptions of the different kinds of upgrades/expansions clear and reflective of the options?	Descriptions are 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 Current CHP outfits are currently rated and cannot be increased. New engines would be required for additional output.</p> <p>Expansion Additional engines and related equipment are the best option.</p> <p>In Service Date If approved in 2022, 3-4 year for a new facility 2-3 years for and existing.</p>
Are any interdependencies missing/not fully captured?	Dispatchability

Topic	Feedback
<p>What are the considerations for participating in the Expedited Process or LT1 RFP?</p>	<p>Participation in Expedited Process</p> <p>Greenhouse CHP plants are unique that they can provide the following operational flexibility:</p> <ul style="list-style-type: none"> • Power generation is very quick, within minutes usually. • Greenhouses can use a majority of the heat making them most efficient. • CO2 can be recovered in a greenhouse install if enough running hours prove a ROI
<p>What other key considerations/risks need to be included to help ensure this initiative is successful?</p>	<p>Key Considerations for Success:</p> <p>Current CHPSOP contract holders have the experience required to fulfil IESO obligations and should be considered for expansion before new contracts are awarded as this would be the most practical expedited option.</p> <p>Contractual Considerations</p> <p>Contract considerations should include:</p> <ul style="list-style-type: none"> • Yearly inflation • Remove UHO metering • Allow for self-generation • Increase maintenance costs if VPP model used. • Include gas distribution and Carbon Tax is VPP model is used.

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?</p> <p>(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?</p> <p>(Refer to slide 106)</p>	
<p>Any feedback on potential features that could be considered for the design of the FCA?</p> <p>(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>	
<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?</p> <p>(Refer to slide 110)</p>	<p>Ensure you can keep and utilize your current IESO meter for new generation.</p>

General Comments/Feedback