

Feedback Form

Long-Term RFP – July 21, 2022

Feedback Provided by:

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Following the July 21st public webinar on the Long-Term RFP, the Independent Electricity System Operator (IESO) is seeking feedback from participants on: Municipal Council Support Resolution, Contract Design, Revised Timelines, and the Deliverability Test Guidance Document.

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

Please provide feedback by August 4, 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.

Municipal Council Support Resolution

Topic	Feedback
Please provide any feedback on the IESO's proposal to change the Municipal Council Support Resolution from a mandatory requirement to a rated criteria.	CanREA supports this proposal.

Proposed Contract Design

Topic	Feedback
Please provide any feedback on the potential use of indexing in the contracts and what indices (if any) may be best suited for these procurements.	CanREA welcomes the IESO's recognition of the current global supply chain and cost pressures facing proponents. To reduce the risk of non-delivery, as is occurring in other markets in North America, the IESO should consider offering proponents the option to have a proportion of their capacity price offer indexed for a time period between bid submission and COD. Offering a voluntary indexing option based on a key industry benchmark (e.g. US Federal Reserve Producer Price Index: Battery Manufacturing) or basket of indexes could help to protect the IESO from proponents being unable to fulfill supply contracts due to increases in capital costs. This approach has the benefit of reducing the likelihood of project attrition, while also passing along to ratepayers any market price reductions that may occur after contracting. CanREA is currently engaging with our members to determine an optimal indexing approach and will follow up over the coming weeks to share more detailed recommendations on this point

LT1 RFP and Expedited Process: Revised Timelines

Topic	Feedback
<p>Please provide feedback on the proposed revised timelines and whether these seem appropriate.</p>	<p>The proposed revision to the process timelines is reasonable. With respect to the Expedited Process Contract Award date being shifted to February 28, 2023, it is CanREA's understanding that this is the latest date by which contracts could be awarded, and that it may be possible to award contracts earlier. In light of this change, it would make sense to shift the target in-service date of May 2025 back by two months as well, although proponents may still be able to meet the May 2025 in-service date. What is potentially more concerning from a developer standpoint is the prospect of missing requisite seasonal environmental permitting studies under this proposed timeline. Minimizing the number of days between contract offer and execution will be absolutely essential in this respect.</p>

Deliverability Test Guidance Document

Topic	Feedback
<p>Please provide any feedback on the Deliverability Test Guidance Document and associated form.</p>	<p>In general, proponents will require greater clarity regarding the sequencing and respective requirements of the CIA and SIA applications and the deliverability assessment for the Expedited and LT1 processes, particularly in the case of a “deliverable but competing” result.</p> <p>CanREA supports the recommendation that the return of Proposal Security submitted in response to the LT1 RFP and/or Expedited Process will be tied to a proponent rescinding any CIA-DX for an unsuccessful project.</p> <p>The Guidance Document indicates that the deliverability assessment for storage will be performed differently from generation only insofar as it will account for the risk that storage resources might charge at times of elevated system demand. This represents a potentially significant missed opportunity, given the unique operating characteristics of storage and its potential interaction with other resources – Specifically in terms of the ability of storage to alleviate the risk of over-supply of generation within a given zone.</p> <p>With respect to the Deliverability Test Assumptions, CanREA would emphasize that the assumption of wind and solar generation being at their maximum output, concurrently with all other generation technologies at maximum output, is not appropriate and will result in needless disqualification of viable resources. Wind and solar output tend not to be correlated, and in the exceedingly improbable event that both are simultaneously generating at peak output, it is unlikely that thermal generation would be as well.</p> <p>With respect to the Output of Existing Generation for the Storage Charging Test, it is highly improbable that a storage resource would be charged during a time period of zero wind, solar or peaking hydro output, as this would presumably be an exceptionally elevated price period. It is far more probable that storage would be discharging during these conditions.</p>

General Comments/Feedback

Thank you for the opportunity for stakeholders to provide comment throughout this process. CanREA has provided a supplementary document to the IESO setting out our recommendations for a contract design specifically for energy storage resources.