



Chuck Farmer  
Vice President, Planning, Conservation and Resource Adequacy  
Independent Electricity System Operator  
1600-120 Adelaide Street West  
Toronto, ON M5H 1T1

August 5, 2022

Dear Chuck,

This submission responds to the Independent Electricity System Operator's (IESO's) July 21, 2022, webinar ("the Q&A webinar") and presentation, *LTI RFP and Additional Mechanisms Webinar: Questions & Answers*<sup>1</sup>

Power Advisory has coordinated this submission on behalf of a consortium of renewable generators, energy storage providers, and the Canadian Renewable Energy Association (CanREA) (the "Consortium"<sup>2</sup>).

We would like to thank the IESO for conducting the Q&A webinar. We think it is important to consult with potential Long-Term T1 Request for Proposals (LT1 RFP) proponents on a frequent and regular basis to promote the exchange of information and ideas related to the LT1 RFP. We hope that IESO will continue to conduct such engagement sessions in the future.

#### **LT1 RFP Rated Criteria – Municipal and Band Council Support Resolutions**

We support the change that makes the requirement for a municipal and Band Council Resolution a Rated Criteria and not a Mandatory Requirement in the LT1 RFP and Expedited Procurement RFP ("the procurements").

#### **Contract Design**

We welcome the proposal that IESO will explore different contract terms and conditions, especially those dealing with the payment structure, for generation, hybrids, and stand-alone energy storage. We understand IESO's desire to keep the procurements technology neutral, but we do believe that different types of technologies require contracts that cater to different operating characteristics of generation,

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<sup>1</sup> See <https://www.ieso.ca/-/media/Files/IESO/Document-Library/engage/long-term-rfp/ltrfp-20220721-presentation.ashx>

<sup>2</sup>The members of the Consortium are: CanREA; Axiom Infrastructure; BluEarth Renewables; Boralex; Capstone Infrastructure; CarbonFree Technology; Connor, Clark & Lunn; Cordelio Power; EDF Renewables; EDP Renewables; Enbridge; ENGIE; Evolgen (by Brookfield Renewable); H2O Power; Kruger Energy; Liberty Power; Longyuan; NextEra Energy Canada; Pattern Energy; and wpd Canada.



hybrids, and energy storage projects. We look forward to hearing specific details of what IESO has in mind in this regard.

Although not specifically a planned topic of discussion for the webinar, there were several questions about the treatment of environmental attributes (EAs) under the contracts. Currently, the potential markets for EAs are uncertain. We request that IESO finalize the design, and commit to an implementation date, for the Clean Energy Credit<sup>3</sup> registry planned by the provincial government. In doing so, potential proponents will be in a much better position to determine if and how EAs might be monetized.

### **LT1 RFP and Expedited Process Updated Schedules**

We congratulate IESO on the robust response to its LT1 Request for Qualifications (RFQ). We understand that larger numbers of applicants and projects than had been anticipated by IESO has stressed the original timelines for completing the RFQ process. Notwithstanding this, we strongly believe that all timelines need to be extended commensurately, including but not limited to, the deadline for bringing projects into service that achieve contracts resulting from the procurements. The increased numbers of RFQ applications does not decrease the timeframe developers needs to design, permit, construct, and commission these projects.

It is essential that contracts be executed early in Q1 of 2023 to permit Spring fieldwork and studies that will be needed to support approvals applications. Developers need time themselves to arrange for this fieldwork and accompanying studies to be done. Failing this, an entire construction season could be lost, which will jeopardize planned in-service dates.

### **Deliverability Test Process and Sequencing**

Although it was helpful to engage with IESO power system planning staff on the proposals for the Deliverability Test, the Consortium believes, based on prior experience developing projects in Ontario, that more work needs to be done for this process to be helpful in siting and configuring projects. We were surprised to learn that the Deliverability Guidance document<sup>4</sup> is not yet a final document and that one or more iterations will be needed to be done. The deadline for submitting information about Expansions and Expedited Procurement projects is about a month from now.

Some of the assumptions in the Deliverability Guidance document are overly conservative and may preclude projects from being developed. For example, the Deliverability Guidance document assumes that during peak hours both wind and solar generation projects will be generating at their maximum

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<sup>3</sup> See <https://news.ontario.ca/en/release/1001486/new-ontario-clean-energy-registry-will-make-province-even-more-attractive-for-investment>

<sup>4</sup> <https://www.ieso.ca/-/media/Files/IESO/Document-Library/long-term-rfp/ieso-LT1-RFQ-deliverability-guidance-document.ashx>



output. This rarely ever occurs. Also, the assumption that wind and solar generation projects will be at zero output will need to be reversed. In areas with high wind and solar energy output, it is unlikely that energy storage projects would be delivering energy since prices would typically be low, but such projects are beneficial for the system because they can use any excess energy generated by wind and solar generation projects.

It is unclear how the planned transmission system and distribution system infrastructure additions will be evaluated in the Deliverability Test. Clearly, infrastructure will need to be added to connect the projects, but it is not clear how this will be accounted for in the Deliverability Test. Not properly accounting for this could exclude needed projects.

During the webinar, a question was asked about the readiness Local Distribution Companies (LDCs) to participate in the Deliverability Test, and IESO's response was that they believe LDCs will be ready. We also encourage IESO to do whatever possible to enhance readiness of LDCs for Deliverability Tests. We expect that a significant number of projects will be distribution-connected and the role that LDCs will play in testing deliverability and grid connection cannot be overstated.

The Consortium thanks IESO for on-going stakeholder engagement meetings regarding LT RFP 1 and other related stakeholder engagement meetings relating to supply procurements and resource adequacy.

We will be pleased to meet with IESO about this submission at a mutually convenient time.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason Chee-Aloy", enclosed in a thin black rectangular border.

Jason Chee-Aloy  
Managing Director  
Power Advisory

cc:

Barbara Ellard (IESO)  
Brandy Giannetta (Canadian Renewable Energy Association)  
Elio Gatto (Axiom Infrastructure)



Roslyn McMann (BluEarth Renewables)  
Adam Rosso (Boralex)  
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Stephen Somerville (H2O Power)  
JJ Davis (Kruger Energy)  
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