

# Feedback Form

## Long-Term RFP – August 10, 2022

### Feedback Provided by:

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Following the August 10<sup>th</sup> public webinar on the Long-Term RFP, the Independent Electricity System Operator (IESO) is seeking feedback from participants on: the LT1 RFP design and key updates presented in the meeting, Contract Design, Upgrades, and the Deliverability Test Guidance Document.

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

**Please provide feedback by August 22, 2022 to [engagement@ieso.ca](mailto: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.

## LT1 RFP Design and Key Updates

Topic	Feedback
Please provide any general feedback on the LT1 RFP design and the key updates provided by IESO in the meeting.	<p data-bbox="781 226 1511 422">Enbridge appreciates IESO providing an update on the processes and timing for the various RFPs currently under development – all additional information IESO can provide is very helpful to proponents’ understanding of and preparation for the RFP process(es).</p> <p data-bbox="781 468 1458 579">We generally support the IESO timing and proposals with a few key clarifications and/or modifications to recommend:</p> <p data-bbox="781 625 987 657"><b>Rated Criteria</b></p> <ol data-bbox="829 667 1511 1770" style="list-style-type: none"><li data-bbox="829 667 1511 1413">1. Indigenous Participation – we fully support IESO establishing points for participation of Indigenous partners in the Expedited and LT1 RFPs. We request additional clarifications as soon as possible, including clarification on IESO’s understanding “economic interest” and details on what documentation and/or evidence IESO will require for this economic interest. For example, with timelines so tight, particularly for the Expedited RFP, and key financial details not being finalized until November with a December 20<sup>th</sup> bid due date, it is unlikely that proponents will be able to have completed contracts and agreements in place with Indigenous Partners, even where there is confirmed intent from both parties to work together. Enbridge recommends that IESO accept Letters of Intent or other similar documents as sufficient evidence to earn the related points under the RFP.</li><li data-bbox="829 1461 1511 1770">2. Municipal Resolutions – Enbridge reiterates our previous comments that we support moving the requirement for Municipal and/or Band Council Resolutions out of the mandatory criteria, but recommend removing the item from rated criteria as well. Resolutions will be required now that legislation providing exemptions has been repealed, so it is unnecessary to include it in</li></ol>

the rated criteria. It is also impractical for newer projects to obtain such resolutions before the bid due date for the Expedited process, even where those projects would obtain support in a timely manner in a non-election year. IESO could inadvertently disadvantage the most promising projects with this rated criteria, especially at the high points value proposed. IESO has proposed to provide more rated criteria points for Municipal Resolutions than it would for providing 12 continuous hours of power or having a 49% Indigenous economic interest in the project. The proposed points are inconsistent with IESO's stated objectives for these RFPs, especially as the projects most likely to be successful under this RFP – power storage – are unlikely to face significant local opposition given the negligible aesthetic and/or emissions impact on the community. Enbridge recommends that the Municipal/Band Council Resolution requirement is removed completely from the RFP or, if IESO will not remove it, we recommend that it is aligned with other criteria and the RFP objectives, e.g., provide only one or two rated criteria points.

3. Location – we request details on the location points as soon as possible.

### **Diversification**

We support the cap on project size and generally support limiting the number of projects that can be awarded to a single proponent, though proponents should be able to submit as many projects as pass the Deliverability Assessment so that IESO has maximum flexibility to consider the best options for ratepayers.

Benefits to separating power storage from other technologies is not clear, or what that would mean for hybrid storage projects that may be submitted. For the sake of simplicity and maximizing IESO's options when reviewing bids, Enbridge recommends that IESO instead set a minimum target for power storage under the RFP but that it keep the RFP whole so that it can review all

Topic	Feedback
	<p>projects together and not be hampered from procuring 100% power storage if that is what ends up being the best option for ratepayers. Power storage is the lowest emission option, especially if any hybrid storage is proposed, and will also be able to meet the timelines IESO needs to meet under these RFPs – IESO should not limit its options for procuring this resource.</p>

## Proposed Contract Design

Topic	Feedback
<p>Please provide any feedback on the contract design and provisions proposed by the IESO.</p>	<p><b>Spread Adjustment</b>  We generally support IESO’s efforts to alter the contract structure to accommodate power storage and agree with the Consortium’s comments that the spread adjustment should also provide some leeway for regular and imperfect operations. We recommend that proponents bidding in power storage projects and hybrid projects should be able to bid on either contract model insofar as they make clear in the submission which model they are proposing in their bid. We also recommend that IESO clarify that proponents would be able to bid any percentage adjustment under the RFP – for each of the uplift and claw back amounts separately – including a value of 0%.</p> <p><b>Regulatory charge credit</b>  We further agree with the Consortium’s support for the regulatory charge credit which will be a critical factor in providing a fair competitive market for power storage to compete against other technologies, producing the best prices for ratepayers.</p> <p><b>EAs</b>  We request clarity on how IESO envisions treating the Environmental Attributes under the contract. The better clarity and certainty IESO can provide around how these credits could be monetized, the better such additional revenue opportunities can be reflected in the bid prices.</p>

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	<p><b>Indexing</b></p> <p>We appreciate IESO’s efforts to address the supply chain pressures that are out of proponents’ and IESO’s control. We agree with the Consortium’s proposal that IESO should rely on a composite of third-party available indices. Enbridge recommends that the composite not focus too heavily on one particular material but accommodate several materials inputs, e.g., as the Consortium suggested, possibly including lithium, copper, nickel, cobalt, cadmium, etc. The index should be clearly identified in the RFP so that all proponents have equal and fair access to perform modelling in developing their bid price. Proponents should also be able to bid a percentage value of their price to be indexed, including 0% in the event they do not want to attach indexing to their price.</p>

## Proposed Upgrades Process

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<p>Please provide any feedback on the proposed design and other considerations with respect to the Same Technology Upgrades procurement process.</p>	<p>Enbridge reiterates previous requests that IESO provide clear, economically practical pathways for existing assets to continue operating post-contract, including recontracting without alteration, and/or undertaking a partial or complete repowering. Investment decisions are being made now for projects coming off contract in 2029 and 2030 that will soon set the path forward for those assets and that will increasingly limit options available to IESO and asset operators as they near the end of contracts. IESO has stated that it assumes all generation will remain on the grid in its planning, but that will not be possible without some clarity on post-contract operating options, e.g., capacity-based mid-term contracts are not an option for many assets.</p>

## Deliverability Test Guidance Document

Topic	Feedback
<p>Please provide any feedback on the Deliverability Test Guidance Document and associated form.</p>	<p>Enbridge appreciated the additional info in the Guidance Document and IESO's sharing the proposed form, but proponents will require more detail as soon as possible to help them submit the best versions of their projects for the Deliverability Assessment.</p> <p>Also, the form asks for address and postal code for projects but the road may not always exist yet depending on the type of project – GPS coordinates and city/town name should be all that's required for project location.</p> <p>The form also does not provide a spot for MWs – does IESO not need that information in order to determine what strain the proposed projects would put on the local transmission?</p> <p>Finally, it is not clear how proponents would submit the three versions for a single project using the draft form – should there be three tabs to accommodate the three versions? We understand a new file would be required for each actual project but IESO has said it will accept up to three versions of a project for assessment, so please clarify.</p>

## General Comments/Feedback

Enbridge appreciates the ongoing consultations, Q&A sessions, and updates IESO has been holding on these RFPs throughout this year. They have been very helpful in understanding IESO's objectives and the RFP opportunities. We look forward to continuing to participate in these discussions as the RFP bid due dates approach.