

Feedback Form

Long-Term RFP – March 28, 2023

Feedback Provided by:

Name: Geoff Osborne

Title: Director, Business Development

Organization: Capstone Infrastructure

Email: [REDACTED]

Date: April 10, 2023,

Following the March 28th public webinar on the Long-Term RFP (LT1 RFP), the Independent Electricity System Operator (IESO) is seeking feedback from participants on design of the LT1 RFP and LT1 Contract.

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

Please provide feedback by April 11, 2023 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.

LT1 RFP Design and Lessons Learned from E-LT1 RFP

Topic	Feedback
E-LT1 RFP: Please provide any general feedback reflecting on your participation in the E-LT1 RFP as it relates to the upcoming LT1 RFP.	<ul style="list-style-type: none"> We are supportive of a streamlined process that allows unsuccessful E-LT1 RFP projects to rebid in the LT1 RFP process.
LT1 RFP design: Please provide any feedback on the proposed Mandatory Requirement for Municipal Support.	<ul style="list-style-type: none"> We support continued engagement with Ontario municipalities with respect to the development of electricity infrastructure to meet growing system needs. However, we do not believe obtaining Municipal Support Resolution should be a mandatory requirement in all cases.
LT1 RFP design: Please provide any feedback on the Rated Criteria Categories and Point Allocation.	<ul style="list-style-type: none"> IESO might consider Rated Criteria to contemplate benefits associated with: Non-emitting technologies, higher performance assets (i.e., higher ramp rate), etc. IESO might consider sharing information related to locational priority points as soon as possible as a means of helping proponents direct effort into the right areas.

Indigenous Community Participation

Topic	Feedback
Please provide any feedback on the Rated Criteria for Indigenous Community Participation as contemplated in the E-LT1 RFP as it relates to the upcoming LT1 RFP.	<ul style="list-style-type: none"> We are supportive of Indigenous community participation in energy infrastructure projects.

Proposed Contract Design: General Feedback

- The current LT1 contract framework may require changes to enable the participation of new-build hybrid resources into the IAM pre and post MRP. Certain changes may be necessary related to the must-offer provisions, capacity check test protocol, etc. Our understanding is that existing asset hybrids are ineligible in LT1 (i.e., adding batteries to existing non-emitting generators). Were they eligible, the LT1 capacity contract would also need to work alongside whatever existing contract a non-emitting generator has in place to deliver energy.

Topic	Feedback
<p>Please provide feedback on any contract provisions you wish to comment on.</p> <p><i>Note: the commercial structure/ revenue model for the LT1 Contract will not be modified from that which was used under the E-LT1 Contract.</i></p>	<ul style="list-style-type: none"> We recommend the IESO leverage industry insights from Energy Storage Canada (ESC), CanREA and the Consortium regarding the proposed commercial structure / revenue model.

General Comments/Feedback

- The IESO should confirm how incremental MWs from “hybrid” storage facilities will be accounted for within the procurement targets (i.e., is the “storage target” just for incremental stand-alone storage?)
- We encourage IESO to complete the Preliminary Deliverability test earlier in 2023 to provide greater time between conclusion of the Preliminary Deliverability test and submission of proposals.
- We encourage IESO to review the index being used in proponents’ bids and whether it should be updated/revised from the E-LT1 process to focus primarily on lithium commodity prices.
- We encourage IESO to expand the LT1 eligibility to consider opportunities for operating assets with existing interconnect to enable new-build storage. Examples being hybrid expansions at operating non-emitting generators or decommissioned / stranded battery assets, both of which leverage existing infrastructure to accelerate in-service timelines and lower project costs for ratepayers.