

Feedback Form

Long-Term RFP – June 29, 2023

Feedback Provided by:

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Following the June 29th 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 July 13, 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.

Revised COD of May 1, 2028

Topic	Feedback
Are Proponents supportive of the revised COD date and the introduction of Capacity payment multipliers for early operation?	Yes. The IESO's new approach appropriately balances project deliverability risks while incenting those projects to be in-service as soon as practicable.

Revised procurement targets

Topic	Feedback
Are Proponents supportive of the revised LT1 procurement targets on slide 15, which has increased the overall procurement target from 2,200MW to 2,505MW? This enables unused MWs in the Non-Storage Category from the E-LT1 RFP to the Non-Storage Category in the LT1 RFP. The IESO continues to reserve the right to accept the marginal bid above the Storage Category procurement target.	Yes. Increasing the targets as proposed is consistent with the Minister's direction to procure 1,500 MW of natural gas-fired generation. In its 2022 Annual Acquisition Report (Figure 2), the IESO identified that 50% of all 2029 adequacy risk periods will persist for greater than 8 hours, with 25% extending beyond 16 hours. Dispatchable resources without fuel constraints will be critical in managing these increasing adequacy risks.

Changes to Rated Criteria

Topic	Feedback
Are Proponents supportive of the revised Rated Criteria approach as laid out on slides 20 and 21? This includes the removal of the duration of service as a Rated Criteria and setting minimum duration requirements as a Mandatory Criteria for Storage Category and Non-Storage Category resources. Remaining Rated Criteria include: Local Governing Body Support, and Indigenous Participation.	Yes. The IESO should publish its revised weighting for RFP evaluation (price vs. non-price criteria) as soon as possible. This information will help right-size proponents' development efforts earlier in the process, saving time and money.

Inclusion of the MCIA in the LT1 RFP

Topic	Feedback
Are Proponents supportive of continuing to include MCIA options in the LT1 RFP?	Yes. Furthermore, the IESO should develop a secondary MCIA option tailored to the non-storage category. The current MCIA – with its heavy weighting on the lithium carbonate index – is tailored strictly to storage projects, despite all technology types facing similar inflationary pressures and risks. Absent sufficient cost hedging mechanisms, proponents must include greater risk premiums into their bid prices, which still may result in undeliverable projects if risks materialize beyond expectations. The IESO should work with the gas-fired generation stakeholders to develop a non-storage specific MCIA; such a hedge mechanism may include consideration for fixed gas delivery and management costs.

Changes to Proponent Group Award Limit

Topic	Feedback
<p>Are Proponents supportive of increasing the Group Award Limit for Storage Category resources from 600 MW to 900 MW?</p> <p>Additionally, the IESO invites Proponents to provide Group Award Limit feedback with regards to the Non-Storage Category.</p>	The current Group Award Limit for the Non-Storage category should be maintained in order to limit the IESO’s overall project delivery risk.

Other or General Comments/Feedback:

Proponents that receive a “Not Deliverable” result in the Deliverability Assessment should be allowed to bid these configurations into the LT1 RFP if they can provide information/support from the relevant Transmitter/LDC on what network upgrades would be required to enable the configuration. It’s possible that the network upgrades would be simple in scope, fast to implement, and have a sensible cost. These costs would be borne by the proponent and included as part of the LT1 evaluation. Ultimately, these projects could still be more cost effective than projects deemed “Deliverable” or “Deliverable but Competing”, lowering the overall procurement cost. Additionally, the network upgrades make for a more robust and reliable grid and could facilitate new loads and other generation capacity in future.