



Leonard Kula  
Vice President,  
Planning, Acquisition and Operations, and Chief Operating Officer  
Independent Electricity System Operator  
1600-120 Adelaide Street West  
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June 18, 2021

Dear Leonard,

This Enbridge Inc. submission responds to the Independent Electricity System Operator (IESO) May 28, 2021 presentation, *Resource Adequacy Engagement*<sup>1</sup>.

We appreciate the opportunity to provide comments on the Resource Adequacy Framework. We look forward to continuing to engage directly, and via industry associations and consortiums, in the coming months.

Enbridge supports the June 17, 2021 comments submitted by Power Advisory on behalf of a consortium of renewable energy generators, energy storage providers, and industry associations (the “Consortium”), regarding the Resource Adequacy Information Guide (the “Information Guide”) and Unforced Capacity (UCAP). We further agree with its more general comments regarding the ability of existing assets to participate in the IESO market post-contract expiry.

As one of the largest renewable energy producers in Canada, with ownership interests in nearly 500 MW of renewable generation and a 500 MW transmission line (under construction) in Ontario, Enbridge is submitting these brief comments on existing resources’ participation in IESO’s market post-contract expiry.

### ***Expiring contracts***

IESO stated in the Information Guide that “Resources with expiring or expired contracts are expected to compete in annual Capacity Auctions and upcoming mid-term RFPs.” Enbridge supports IESO’s proposal to use Capacity Auctions to meet seasonal needs, and its proposal to allow resources with expiring or

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<sup>1</sup> See <https://www.ieso.ca/en/Sector-Participants/Engagement-Initiatives/Engagements/Resource-Adequacy-Engagement>



expired contracts to participate in the auctions and mid-term RFPs. We agree this will promote competition and result in cost-effective capacity and resource procurement.

However, IESO's proposal appears to confirm previous indications that only new resources would be eligible to participate in long-term RFP procurement processes. Enbridge submits that the IESO should allow resources with expiring contracts to also participate in long-term RFP/contract procurement processes. A contract's expiry does not necessarily limit the resource's useful life, and increased competition in long-term RFP processes could help lower rates.

Existing resources can be repowered and/or, under pending frameworks, could be paired with power storage and/or hydrogen technology; all of which would significantly extend the resource life and benefits to consumers and to IESO's system. For example, an existing wind project is already fully permitted, familiar to the community, and is connected to transmission. Enabling this resource to continue providing clean energy to the grid over the long-term, well beyond contract expiry, would be efficient for IESO's resource planning and seamless for neighbouring communities.

We appreciate that IESO recognizes the benefits of long-term contracts in providing certainty, which helps to lower the cost of capital and, therefore, contract prices, while also attracting the necessary investment to build and maintain long-term resource adequacy. IESO will maximize these benefits when existing resources are able to participate in these processes alongside proposed new assets. While less expensive than new builds, repowering and power storage/hydrogen projects at existing resources require significant investment and will need the investment certainty that only long-term commitments can provide.

It may be that IESO is already planning to accommodate repowering projects under the definition of "new resources" as part of the long-term RFP/contract resource adequacy mechanism, and we look forward to ongoing consultation with IESO on this subject. We submit that IESO and Ontario ratepayers are best served when renewable resources capable of participating in the various procurement mechanisms are able to do so, promoting competition and energy source diversity.

Please contact the undersigned to discuss the contents of this submission.

Sincerely,

A handwritten signature in black ink that reads "Lenin Vadlamudi".

Lenin Vadlamudi

Director, Power Operations, Canada