

# Feedback Form

## Small Hydro Program Design, March 2022

### Feedback Provided by:

Name: Graeme Lowry

Title: President and CEO

Organization: North Shore Power Group Inc.

Email: [REDACTED]

Date: April 18, 2022

To promote transparency, feedback submitted will be posted on the IESO webpage unless otherwise requested by the sender.

Following the **(date)** Small Hydro Program Design Outreach Session, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the following discussed items. Background information related to these feedback requests can be found in the presentation, which can be accessed from the [engagement web page](#).

**Please submit feedback to [engagement@ieso.ca](mailto:engagement@ieso.ca) by **(date)**.** If you wish to provide confidential feedback, please mark the document "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

## Small Hydro Program – Engagement Approach

Topic	Feedback
What questions or feedback do you have about the IESO’s engagement approach?	Click or tap here to enter text.

## Small Hydro Program – Principles & Goals

Topic	Feedback
What questions or feedback do you have on the design goals for the program?	Click or tap here to enter text.
What questions or feedback do you have on the principles that the design is founded on? (focus on value, promote competition, incent market-driven operations and allow for flexibility in future system operation).	We own an un-contracted small hydro facility (150 kW) in Blind River, Ontario. We are 100% owned by the Town of Blind River. We would like to obtain a power purchase agreement for this facility. The preamble and articles 9 and 10 of The Minister of Energy’s Directive of January 28th seems to indicate that this might be possible. Please consider extending this program to un-contracted small hydro facilities.

## Small Hydro Program – Design Concepts

Topic	Feedback
What questions or feedback do you have relating to <b>Design Concept #1: Capacity Payments</b>	It would depend on whether this is a material amount of money.
What questions or feedback do you have relating to <b>Design Concept #2: Dispatchability</b>	Our plants are run-of-the-river. Thus they have no head pond water storage and thus no dispatchability without spilling the resource. Frequent startup/shutdowns are hard on the equipment.
Is your facility currently dispatchable?	Not without wasting the water.
If your facility is currently not dispatchable, is there an interest in becoming dispatchable? What would be required to become dispatchable and what are the barriers (if any)?	We might not have any water when IESO dispatches us.

Topic	Feedback
What questions or feedback do you have relating to <b>Design Concept #3: Tranching</b>	Would need more details on potential advantages.
What characteristics would you consider to be defining features of your operations or facilities as it relates to potential criteria for contract payments?	We operate three power plants on the Blind River, manage water levels throughout the entire watershed, with hundreds of cottages on them.
What questions or feedback do you have relating to <b>Design Concept #4: Investment?</b>	All three of the plants we manage are ageing, one at 35 years, one at 31 years, and one at 24 years. All three plants need significant investment now.
Have you considered adding an on-site battery to your facility? If so, what stage of development are you in? Is there potential for Indigenous and/or community ownership?	No to batteries, but we would entertain a proposal.
Are you aware of your sustaining capital requirements over the next 5 years?	Yes, roughly \$2 million.
Have you considered any upgrades or capital projects at your facility? If so, what stage of development are you in? Is there potential for Indigenous and/or community ownership?	We are owned by a municipality. We have had investment discussion with our local first nation.
What questions or feedback do you have relating to <b>Design Concept #5: Contract Length?</b>	20 years is the minimum necessary for financing.
What questions or feedback do you have relating to a program review in 2026?	Click or tap here to enter text.

## Small Hydro Program – Other Design Ideas

Topic	Feedback
Are there any other design ideas for the development of a Small Hydro Program that should be considered?	Keep it simple, please. Hydroelectricity should be your base load. It stabilizes and provides grid resilience.

## Small Hydro Program – Challenges

Topic	Feedback
<p>Are there challenges that you foresee in transitioning to a new contract structure? What are these challenges?</p>	<p>Any new contract structure must not make it difficult to obtain long-term debt financing for these long-term assets and it must also provide a decent return to the owner.</p>
<p>If you expect any challenges in transitioning to a new contract structure, do you have any suggestions on how the IESO can assist in the transition or reduce any anticipated barriers?</p>	<p>Make the structure pay sufficiently, and make it pay reliably.</p>

## General Comments/Feedback

Click or tap here to enter text.