

Feedback Form

Overview and Q&A Session on the Small Hydro Program (SHP) Draft Documents: September 19, 2023

Feedback Provided by:

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Date: September 26, 2023

Following the September 19, 2023 engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the items discussed during the webinar. The webinar presentation and recording can be accessed from the [engagement web page](#).

Please submit feedback to engagement@ieso.ca by end of day Tuesday, September 26, 2023. If you wish to provide confidential feedback, please submit as a separate document, marked "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

SHP Draft Documents

Topic	Feedback
What feedback do you have related to OEFC eligibility and the requirement to terminate the OEFC Contract prior to the Contract Date?	We have no specific comments in this regard.
What feedback do you have related to the GRC (Gross Revenue Charge) Adjustment mechanism?	We would like the GRC Adjustment to be effective during the Original Term in addition to the Extended Term.
What feedback do you have related to Upgrades & Expansions being enabled for those in the SHP that previously held HCI Contracts?	We have no specific feedback except that we require that our existing price and indexing be maintained for the upgrade we completed under the HCI program rules in [insert date].
What feedback do you have related to Exhibit B1 of the draft SHP-AR Contract?	We have several comments on Exhibit B-1, Type 1: HCI-Tx Facility Registered in the IESO-Administered Markets. Our main concern relates to s. 1.5 and 1.6 of Exhibit B-1, which deals with System Operator Instructions and Hourly Delivered Electricity Foregone, respectively. We do not agree with the methodology used to calculate the Hourly Delivered Electricity Foregone. We think that underestimates the quantity of water we may be required to spill, which undervalues the spilled water. From a physical standpoint, our Facility is not at all equipped to spill water frequently during the winter months or at night. This is a limiting constraint on its physical operation. We would welcome more discussion on this topic.

Topic	Feedback
<p>What feedback do you have on the draft SHP Contract?</p>	<p>Can you please confirm that in s. 2.8(a) the requirement that the Supplier own or lease the Facility does not in any way conflict with a change of Control for the Supplier as outlined in s. 15.7 or assignment of the AR-SHP Contract in s. 15.6 as long as the Supplier continues to own or lease the Facility post-transaction. In s. 1.5, the IESO Market Rules protection for MRP is very weak. This is a concern for the period after MRP implementation, which is scheduled for May 2025. Compensation for capital investments required under the Lakes and Rivers Improvement and Endangered Species Act compensation is only effective during the Original Term and the adjustment to the price is capped at \$140.40/MWh. We have no idea where this amount comes from. This is a serious concern unless the government is making funding available from somewhere else to cover this.</p>
<p>What feedback do you have related to Exhibit B2 of the draft SHP-AR Contract or Exhibit B of the draft SHP Contract?</p>	<p>Please confirm that use of the term Dispatch Interval in no way required a facility that currently self-schedules to become dispatchable. This was stated in response to a question during the September 19, 2024, webinar.</p>
<p>What feedback do you have on the draft Application Form?</p>	<p>We note that some of the information in the SHP-AR Contract Cover Page, e.g., Contract Price, Escalation, Base Date, is not in the Application Form. To maintain our Facility revenues for our HCI Upgrade, we need these parameters to be correct. We are concerned about who will populate this information. The ownership information in Section 2 of the application is none of the IESO's concern. This information is irrelevant to the administration of the SHP-AR Contract.</p>
<p>What feedback do you have on the draft Prescribed Forms?</p>	<p>We have no specific comments</p>
<p>What feedback do you have related to Rules related to Secured Lender Agreements?</p>	<p>We have no specific comments in this regard.</p>

General Comments/Feedback

We thank the IESO for the opportunity to provide constructive feedback. We would welcome the opportunity to meet with the IESO to discuss and explain our comments in more detail.