

Same Technology Upgrades Solicitation FAQ

November 1, 2022

Frequently Asked Questions

The following questions and comments have been raised by Stakeholders in response to the drafts (v1, v2, and v3) of the Same Technology Upgrades - Call for Submissions document (the "Call Document"), engagement Webinars, and one-on-one discussions with Suppliers who may be interested in participating in the Same Technology Upgrades Solicitation ("Upgrades Solicitation"). Capitalized terms used but not defined in this FAQ have the meaning given to them in the Call Document.

1. Can Suppliers submit only an Extension Alternative without having to make a Submission with the existing contract's original end date?

Yes, Suppliers can elect to provide an Upgrade NRR, an Extension Alternative or both.

2. Why is the minimum capacity duration under the Upgrades Solicitation higher than under the E-LT1 RFP?

The minimum capacity duration required for the Upgrades Solicitation was established to meet a specific tranche of resource adequacy needs expecting to arise beginning in 2026, and to reflect the capabilities of the suite of potential resources that would be eligible to participate in the solicitation.

3. If I did not submit my proposed project into the initial Deliverability Assessment process that closed on August 30, 2022, can I still participate?

No. Suppliers that were interested in making a Submission for Upgrade Capacity must have participated in the [Deliverability Assessment process](#) by August 30, 2022. Suppliers that missed the Deliverability Assessment submission deadline or whose proposed Upgrade Capacity receives a "not deliverable" designation are ineligible to participate in the Upgrades Solicitation.

4. What are the IESO's "open-book" expectations?

The IESO is seeking to understand the inputs and assumptions behind the financial model associated with the Upgrade NRR, in order to determine if the proposed Permitted Upgrade is cost effective and

provides ratepayer value. The IESO expects Suppliers to work with their vendors or suppliers to enable the information requested by the IESO to be provided on a confidential basis for the purposes of substantiating the proposed Upgrade NRR(s).

5. If my Upgrade project is selected, will I have the opportunity to renegotiate my contract?

No. The IESO will not engage in general contract negotiation discussions. Only those contract parameters directly related to the Permitted Upgrade will be discussed and amended.

6. What Capacity Check Test and other validation protocols will be required?

The existing Capacity Check Test provisions in the underlying agreement will remain as part of the contract, and will apply to the facility's full capacity (i.e., Uprate Capacity plus existing Contract Capacity) from Upgrade In-Service onwards. See Section 8(a)(iv) of the Call Document for additional information.

7. Can Permitted Upgrades come into service earlier than May 2025?

While Permitted Upgrades may come into operation earlier than 2025 (provided that this could be done without Outages that adversely affect system reliability), the achievement of Uprate In-Service (and correspondingly, payment on account of the Upgrade NRR), will not be permitted to occur earlier than January 1, 2025.

8. Will the Uprate Capacity-size guidance be strictly enforced?

The size guidance in Section 6(a)(iv) of the Call Document is intended to signal the IESO's desire to pursue meaningfully sized Permitted Upgrades. The IESO will consider the Uprate Capacity size relative to the existing facility, as well as cost and impact to ratepayers, in-service timing and outage impacts, and efficiency when considering whether to pursue a Submission. As such, the Uprate Capacity size guidance will not be strictly enforced.

9. How will the IESO verify that the achievement of the full Uprate Capacity has been met?

The IESO will require verification of achievement of the full Uprate Capacity by an independent engineer. In addition, the Capacity Check Test provisions within the existing contract will remain in effect. See Section 8(a)(iv) of the Call Document.

10. My facility's Maximum Continuous Rating ("MCR") or Maximum Active Power Capability ("MAPC") values registered on Online IESO are missing, or need to be updated – will this prevent me from participating?

No, provided that the proposed Uprate Capacity can demonstrate its capacity is indeed incremental and not associated with existing merchant or uncontracted Capacity.

11. My Facility is considering multiple upgrades to increase the capacity of the existing equipment. Should these proposed upgrades be separate Submissions, or under one single Submission?

The IESO prefers one Submission per Eligible Facility.

12. When bidding into the Upgrades Solicitation, should Suppliers provide their MCR, or MAPC values? Relatedly, how granular should the MCR or MAPC data be (e.g., seasonal, monthly)?

Submissions are not required to specify their MCR or MAPC values. The specific requirements for a Submission are set out in Section 4(a) of the Call Document.

13. I am pursuing multiple upgrades for my Facility. Will Uprate In-Service be achieved sequentially (as each upgrade project is completed), or only once all upgrades for my Facility have been completed?

Uprate In-Service will be achieved once all upgrades for a Facility have been completed and deemed in-service.

14. What materials are required to be submitted for the Upgrades Solicitation?

In addition to the prescribed Upgrades Solicitation form, the additional information and materials required to be submitted may be provided by Suppliers in the format of their choosing. Submitted materials should be as concise and specific as possible. See Section 4(a)(iii) of the Call Document for a description of the content being sought within the Submission.

15. Will any relief be provided by the IESO if a permitting issue delays either the in-service date or causes the inability to provide additional capacity?

The existing Force Majeure provisions in the underlying agreement will remain as part of the contract. As stated in Section 8(v) of the Call Document, in-service dates may be extended by up to one year for events of Force Majeure, after which either party may elect to terminate the Uprate Amendment.

16. How will the IESO assess proposed Uprate Capacity in one season versus another?

As stated in Section 6(v) of the Call Document, the IESO prefers Uprate Capacity that will be available during the following periods, set out in order of preference: (1) both summer and winter peaks, (2) primarily during summer peaks, and (3) primarily during winter peaks.

Will Upgrades be eligible for the same in-service incentives as projects participating in the E-LT1 RFP in terms of facilities that reach commercial operation before May 1, 2026? If no, why not?

No, the IESO is targeting Permitted Upgrades to be in service beginning in 2025, and is not considering providing an early-in-service incentive.

Permitted Upgrades represent less risky projects compared to expansions or new builds, enabling Suppliers to retain their existing contracts for the trade-off of a more streamlined process with lower security requirements and no early-in-service incentives.

Will new performance obligations be added within the Uprate Amendment?

The IESO is not considering adding new performance obligations to existing contracts. Whatever performance obligations exist in the current contract would be extended to include the Uprate Capacity.

When will the Supplier be required to post enhanced Performance Security?

The Supplier will be required to increase the amount of Completion and Performance security as specified in Section 8(iii) of the Document at the time of execution of the Uprate Amendment (likely Q1/Q2 2023).

In recognition of natural gas pipeline constraints, can alternative gas-receipt points be considered in order to secure the additional natural gas capacity to support the Permitted Upgrade?

Yes, Suppliers may build the incremental costs or savings associated with an alternative receipt point into the Upgrade NRR.