

# LT1 RFQ: Third Set of Questions and Answers (June 28, 2022)

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## Questions and Answers

The following document summarizes the third set of IESO responses to questions and comments submitted to the IESO in respect of the final LT1 RFQ documents posted on June 3, 2022, that were pursuant to Section 2.3(a) of the LT1 RFQ prior to the Question and Comment Deadline.

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## LT 1 RFQ

Question Comment	IESO Response
<p>1. If an applicant is a newly created entity, jointly owned (50/50) by two companies, can one of the two parent companies pay the application fee on behalf of the newly created entity?</p>	<p>Yes.</p>
<p>2. For team member experience, it was stated in the engagement webinar that an applicant could have two members that collectively make up the 5 "Experience" traits (e.g. 'A' meets Planning, Developing, and Financing, while 'B' meets Constructing and Operating).</p> <p>a. Are these team members required to work on the LT1 project? Or do they just have to work for our organization/team?</p> <p>b. Since it says at least 2 Designated Team Members, could one include 3 team members that collectively meet the 5 'Experience' traits?</p>	<p>a. The LT1 RFQ is designed to qualify RFQ Applicants, not projects. For purposes of qualifying, the RFQ Applicant must have the required Designated Team Members who are either a director, officer or an employee of the RFQ Applicant or a Control Group Member of the RFQ Applicant who are members of the RFQ Applicant Team.</p> <p>b. Please see question #32 of LT1 RFQ - Stakeholder QA - Batch 2 - June 23.</p>
<p>3. Q &amp; A # 37 indicates "The RFQ Applicant must be a single Person and cannot be an unincorporated joint venture. An addendum to the RFQ will be issued to reflect this requirement." This is very problematic as the Draft RFQ, the presentation material, and the Final RFQ stipulates an RFQ Applicant "means a Person or group of Persons that submits a Qualification Submission in response to this LT1 RFQ and that will be responsible to develop, finance, own, operate and maintain a Long-Term Reliability Project if awarded a long-term capacity contract under any LT1 RFP." This is a material change at such a late point in the process since parties planning on working together may have been executed</p>	<p>The RFQ Applicant must be a single Person. The definition of Designated Team Members and the intent and mechanics of the Entity Development Experience, which relies on the concept of a Control Group Member in respect of the RFQ Applicant, are premised on the basis of the RFQ Applicant or its Control Group Member being a single Person. The words "or group of Persons" that previously appeared in the definition of "RFQ Applicant" were inadvertent and were not consistent with the requirements of Section 3.2 and 3.3 of the LT1 RFQ that are premised on the RFQ Applicant or its Control Group Member being a single Person. This item was clarified in response to Question 37</p>

binding contractual arrangements based on the IESO's previous guidance and the clear wording of the final RFP. Based on the revised direction in Q&A #37, such parties might now need to establish a single, jointly owned corporate entity with less than 10 days to go in before the submission deadline. Will the definition of RFQ Applicant or the requirement to be a single person be changed in response to this conflict or will evidence of binding agreements between parties be sufficient where there are multiple parties?

We, a group of Persons (companies), were intending to participate jointly and intend to submit multiple projects. If the clarification is correct, we may now be required to establish a new, jointly owned corporate entity with accompanying contractual relationships prior to the deadline. At a minimum, we would need to revise the binding legal agreements we have developed between our applicant group which are based on the previous guidance from the IESO. This is very late in the process to be communicating such an impactful restriction and may reduce the number of RFQ Applicants. If an RFQ Applicant has multiple projects that will ultimately be under separate legal entities but with same ownership structure, will this require separate RFQ Applications? It is typical for each project to be held in a separate legal entity and we have previously inquired whether each project would be required to make separate RFQ applications and were advised that one RFP applicant group could submit multiple projects into the RFP.

from LT1 RFQ - Stakeholder QA - Batch 1 - June 17, signalling in advance the IESO's intent to correct this definition in the LT1 RFQ Addendum #1.

Question Comment	IESO Response
<p>4. we are writing on behalf of [Redacted] who have had a 20 year contract with IESO for 50 MW ([Project Redacted]) that expired a few years ago!</p> <p>They are very interested in providing capacity to IESO on a LT basis. However, based on the LT RFP ! rules it seems they cannot bid with any existing asset. They would be interested in bidding for a new project at the same site that can use the steam from the existing asset. However, once again under the current rules for RFQ it appears that they may not qualify for both stage 1 and 2.</p> <p>I am hoping we can discuss this at your earliest convenience as [Redacted] is a perfect site to offer IESO a competitive bid under the expedited process for 2025 COD.</p>	<p>The LT1 RFQ is designed to qualify RFQ Applicants in respect of future procurement for New Build resources only.</p>
<p>5. I am trying to fill in Prescribed Form: RFQ Applicant Qualifying Experience and Declarations. I am trying to export it to Word in order to have enough room in the text box to answer the questions. The PDF is password protected. Can you please either provide a Word version of the document on your website or notify proponents of the password?</p> <p>We have too much text to fit in section 1 – A (i) Qualifying Large-Scale Project’s Names , Location and Nameplate Capacity text boxes. Currently it’s so small you can barely read it and the text is now cut off on the main screen.</p>	<p>The Prescribed Forms are provided in a writable PDF format and were updated on the Long-Term RFP and Expedited Process webpage on June 23.</p> <p>If needed, please use the additional space provided in Part 6 of Appendix D in the Prescribed Form: RFQ Applicant Qualifying Experience and Declarations.</p>
<p>6. Under Section A. Mandatory Information, item “Duration of the proposed Long-Term Reliability Project..”, are you seeking a single value, or is a range permitted?</p>	<p>Please see the answer to question #16 in LT1 RFQ - Stakeholder QA - Batch 2 - June 23.</p>

Question Comment	IESO Response
<p>7. Re (7) above, can the value(s) change from RFQ to RFP?</p>	<p>The IESO is considering permitting certain options or alternatives in respect of Nameplate Capacity and Connection Point for projects under the Expedited Process in order to facilitate deliverability assessment. The IESO does not expect that project site location, technology, fuels or other project information included in the mandatory information included in the description of the proposed project would be flexible for purposes of the Expedited Process.</p>
<p>8. In section 3.3 (a) (i) the RFQ states:</p> <p>“the RFQ Applicant or its Control Group Member must have directly owned, or Controlled a Person that directly owned, two (2) or more operating Electricity generation or storage facilities:</p> <p>Question? Could the Controlled Group be qualified if they have Owned and or fully integrated and operated and maintained, two (2) or more operating Electricity generation or storage facilities?</p>	<p>No, Section 3.3 is clear that the RFQ Applicant or its Control Group Member must have directly owned, or Controlled a Person that directly owned, two (2) or more operating Electricity generation or storage facilities.</p>
<p>9. I would like to follow-up on the question regarding Question 3 in Appendix B of the Prescribed Form – RFQ Applicant Qualifying Experience and Declaration form. The language in the declaration form is currently in conflict with the RFQ definitions and prevents a RFQ applicant from forming a Designated Team with employees of the Control Group (e.g. with employees of a parent or a JV). This is a serious issue that will likely prevent many proponents from being able to sign the declaration form as written</p>	<p>“Designated Team Member” is defined in the LT1 RFQ as an individual who is either a director, officer or an employee of the RFQ Applicant or a Control Group Member of the RFQ Applicant. The language in item #3 in Appendix B is consistent with this definition.</p>

Question Comment	IESO Response
<p>Please provide a response by end of day today (Thursday June 23) to let interested proponents know if there is are forthcoming clarification / revision on its way.</p>	
<p>10. If the applicant submits only one proposed Long-Term Reliability Project with their application, can additional projects be added at a later date? Will the applicant be limited to the project that was submitted with the application?</p>	<p>Additional projects would be considered for the LT1 RFP, but would not be considered in the Expedited Process.</p>
<p>11. During the Engagement Meeting that took place on June 9th, 2022, the IESO confirmed that the RFP will allow for the submission of a project with up to three (3) configurations (e.g., varying nameplate capacities or POIs), but the RFQ Long-Term Reliability Project Description form does not allow for various configurations to be inputted. For projects related to the Expedite Process, do RFQ Applicants need to provide information on the different configurations at the RFQ stage?</p>	<p>RFQ Applicants are encouraged to include as much information as possible on potential projects they would like to pursue in the LT1 RFP or Expedited Process. The IESO is considering permitting certain options or alternatives in respect of Nameplate Capacity and Connection Point for projects under the Expedited Process in order to facilitate deliverability assessment.</p>
<p>12. Two (2) of [Redacted Entity A]’s four (4) energy storage projects needed to qualify in the RFQ for the Expedited Small Scale category have a potential rub with the rules in the RFQ process, despite being built and operated for the IESO over the past many years. We wanted to flag this question in advance of the RFQ submission deadline, and seek IESO guidance on how we should treat these relevant project for our qualification submission.</p> <p>In particular, we would like to confirm if the following projects can meet the Small-Scale Entity Development Experience requirements of the LT RFP in terms of requirements for COD to be within 5 years from the RFQ submission. We believe these projects should</p>	<p>Based on your description in this question, Redacted Entity A’s Project 2 was not developed or constructed by the RFQ Applicant (or a Control Group Member of the RFQ Applicant) and thus would not meet the requirements of Section 3.2(b)(i) of the LT1 RFQ which requires ownership from the time of the commencement of construction of the Qualifying Small-Scale Project.</p>

**Question Comment****IESO Response**

be eligible and should meet the spirit and intent of the required Entity Development Experience:

1. [Redacted Entity A Project 1 details]

2. [Redacted Entity A Project 2 details – acquired by Redacted A in XXXX]

RFQ Small-Scale Entity Development Experience Threshold:

- “(B) that have achieved commercial operation in any jurisdiction in Canada or the United States of America no more than five (5) years prior to the date of the Qualification Submission (any such project, a “Qualifying Small-Scale Project”).:

These two projects have provided many years of valuable service to the IESO and clearly demonstrate [Redacted Entity A]’s development/construction/operating experience in Ontario. We would be very concerned if these precedent-setting energy storage projects are not able to qualify, and thereby preclude [Redacted Entity A] from submitting small scale Expedited project bids into the RFP.

13. Addendum NO. 1

Amendment #1 and #6 – To clarify, the IESO is requiring that an individual person, not the proponent company or project company be the applicant? For example, the president of Acme Development, Mr. “John Doe” must be the “Applicant” in the prescribed forms and overall submission documents. “Acme Development” would not be the Applicant? Is this correct?

This is confusing in that, by definition, the IESO requires that Designated Team Members be “either a director, officer or an employee of the RFQ Applicant”, which under Addendum No. 1 is an individual but under the RFQ

The description in this question is not correct. Please see the definition of “Person” in the LT1 RFQ. The changes in items #1 and #7 in Addendum #1 only serve to preclude the use of unincorporated joint ventures of multiple “Persons” being put forward as the RFQ Applicant. The definition of “Person” includes all known and common forms of business organizational entities used in Canadian projects, including corporations and partnerships.

Question Comment	IESO Response
<p>definition of Designated Team Member is a form of corporation or project company?</p>	
<p>14. Large Scale Team Member Experience Question</p> <p>Scenario 1: Two Designated Team Members (each of whom are either an Officer, Director or Employee of the RFQ Applicant or Control Member Group; and each of whom has documented work experience) worked together on the same Qualifying Large-scale project and held managerial authority of different aspects of the same function (e.g. both Team Members worked together in "Planning" on the Same Qualifying Large-Scale Project and both held managerial authority for their work). Therefore, both Team Members would qualify as Designated Team Member for the "planning" function requirement. Is this correct?</p>	<p>This scenario would be possible.</p>
<p>15. If an applicant files an application for qualification under the RFQ, say on the 27th of June, and further addendums are issued or prescribed forms are amended after that date, would the original application filed by the applicant be still valid? Under such circumstances, could the applicant file a revised application for qualification?</p>	<p>The deadline for issuing Addenda under the LT1 RFQ was June 23, in advance of Qualification Submission.</p>
<p>16. Can we expect IESO to issue a statement that no further updates, addenda, or revisions are being issued after the 28th of June?</p>	<p>Please see Section 2.2 of the LT1 RFQ which establishes the deadline for issuing Addenda to the LT1 RFQ.</p>
<p>17. The forms have been revised to scrollable. However, if the forms are printed for signatures, it could result in some portion of the fillable fields getting 'chopped off'. If that is the case, could such information be entered in Part 6 of the Prescribed Form: RFQ Applicant Qualifying Experience and Declarations?</p>	<p>Yes, this would be acceptable.</p>

Question Comment	IESO Response
<p>18. The Prescribed Forms require replication of charts to provide all the necessary information, however, the form is locked. There is no way to edit the current form. Please advise.</p>	<p>Please see the answer to question #5.</p>
<p>19. As per Sections 3.2(a)(iii) and 3.3(a)(ii) of the RFQ, it requires statutory declarations of an officer of the RFQ Applicant. IESO has confirmed via Q&amp;A 1 and 2 that digital signatures are acceptable.</p> <p>Could IESO please confirm if the signature pages will need to be the version that is validated in Adobe or would IESO accept a copy of the signature pages that would include the signatures and time stamp? For clarity, the copies of the statutory declaration and signature pages would include signees' digital signatures as well as the statement "digitally signed by XX Date: 2022.06.XX. [time]."</p> <p>We ask as the validated version in Adobe locks the document after signatures and prevents the ability to apply sequential page numbers of the submission as required in Section 2.6(d).</p>	<p>Yes, copied versions of the signatures are acceptable.</p>
<p>20. We completed Appendix B and C using the old forms and I see now that the form has been updated. Do we need to re-sign in front of a public notary the declarations? Will the old ones be accepted?</p>	<p>The old forms will be accepted.</p>