

Feedback Form

Long-Term 2 RFP – December 13, 2023

Feedback Provided by:

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To promote transparency, feedback submitted will be posted on the Long-Term RFP engagement page unless otherwise requested by the sender.

Following the LT2 RFP engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on specific items discussed during the webinar. The webinar presentation and recording can be accessed from the [engagement web page](#).

Please submit feedback to <mailto:engagement@ieso.ca> by January 15, 2024. If you wish to provide confidential feedback, please mark "Confidential". Feedback that is not marked "Confidential" will be posted on the engagement webpage.

Resource Adequacy Framework and Cadenced Procurement Approach

Topic	Feedback
Do you have any comments or concerns regarding the cadenced nature between upcoming LT and MT RFPs?	SWEB believes that the cadenced approach to the LT and MT RFP procurements is positive. It provides developers with a runway to ensure that projects reach the necessary maturity required to become bid ready.
Do you have any comments or concerns regarding the proposed offering of both capacity style and new revenue model style of contracts, based on resource eligibility requirements and system needs?	SWEB has several concerns regarding the proposed new revenue model. Please see the Revenue Model Feedback section below for details.
Do you have any concerns regarding the proposed target setting approach for upcoming MT RFPs?	No comment.
Do you have any comments regarding how best to employ bridging and extensions to contracts to facilitate the success of the Resource Adequacy Framework?	No comment.

LT2 RFP Resource Eligibility and Timelines

Topic	Feedback
Do you have any general feedback on resource eligibility and timelines?	While SWEB agrees that the LT2 procurement should enable hybrid projects, it would be beneficial for the IESO to provide clarity on its needs to procure hybrid resources. Furthermore, the IESO should outline if it anticipates a specific carve-out or a separate procurement focused on hybrid projects.
If the potential of repowering an existing facility applies to you, would you be interested in exploring this option further?	No comment.

Topic	Feedback
How should the optimal threshold for what constitutes a partial or fully repowered facility be determined and what considerations should be taken into account regarding the repowering of different resource types?	No comment.
What considerations should be taken into account for new-build DERs?	SWEB believes that new-build DERs should be allowed within the LT2 RFP.
Please express any interest and opportunities for uprates and/or expansions at any of your existing facilities.	No comment.

LT2 RFP Design Considerations – System Congestion and Deliverability Approach

Topic	Feedback
What early system congestion information do proponents need to guide them in choosing the location of their projects and when is this needed by within the procurement cycle?	SWEB requests that the IESO release as much system information as possible, and as soon as possible. SWEB also requests that the IESO produce a map of the province which outlines or indicates areas of priority. The earlier this information is provided in the procurement cycle, the more time is allotted for development work in the necessary locations to meet the proposed bid schedule.
Do you have any general suggestions for how to approach deliverability evaluation in the LT2 RFP?	The deliverability evaluations need to occur as soon as possible in the procurement process. Once the deliverability results are received by proponents, there needs to be an adequate amount of time between results and bid submission. Generation projects are different from capacity projects as their development processes take longer and are heavily dependent on available capacity to interconnect. If there are project changes that need to be implemented based on the deliverability evaluation, a few months between results and bid submission (the timeline that was followed in the LT1 procurement) will not be sufficient.

LT2 RFP Design Considerations – General Feedback

Topic	Feedback
<p>Do you have any comments regarding the impacts that agricultural land-use limitations may have on project development?</p>	<p>Wind, solar, and storage facilities have different footprints and SWEB would urge the IESO to consider each technology separately. For example, wind generation has a very small footprint compared to solar generation. Furthermore, wind projects support farmers by allowing them to remain on their land by providing a guaranteed income which is not always available from traditional farming operations. If farmers want to sell or lease their land because they believe it's more profitable for renewables, then the IESO and/or Municipalities should not be in a position to make that decision more difficult or under severe land use limitations, unattainable.</p> <p>Solar generation is a temporary land use and is reversable. Furthermore, solar supports pollinator habitats and carbon sequestration which is directly in line with agricultural land use.</p> <p>SWEB suggests that the IESO does not include any agricultural land use limitations and should leave this up to the Municipalities who have a stronger local understanding of the land use needs. Additionally, more restrictions and limitations on land use is going to make this tightly-timed procurement more difficult, as there are already many other land use considerations at play when siting and developing projects.</p>
<p>Do you have any comments regarding what evaluation criteria can be utilized to evaluate project readiness, given tight timelines and reliability needs?</p>	<p>SWEB would like to see the IESO propose evaluation criteria so that we can provide more feedback. However, SWEB would urge the IESO to take project development timelines into consideration when determining the project readiness criteria.</p>
<p>Do you have input on the proposed mechanism for valuing Indigenous participation?</p>	<p>No comment.</p>
<p>Are there any other rated criteria that should be considered?</p>	<p>No comment.</p>

Long Lead Time Resources

Topic	Feedback
Does the proposed approach to enabling long-lead time resources enable meaningful participation or sufficient certainty?	No comment.
What additional considerations should the IESO contemplate for enabling broader participation from long-lead time resources?	No comment.

Revenue Model

Topic	Feedback
As a potential proponent, are you generally supportive of the proposed Enhanced PPA revenue model? Are there any other considerations that the IESO should look into further with regards to the revenue model?	<p data-bbox="740 705 1455 814">SWEB would caution the IESO against the use of the enhanced PPA revenue model that was implemented in the NYSERDA procurement.</p> <p data-bbox="740 865 1495 1293">The revenue model that was implemented by NYSERDA and is being mirrored in the LT2 RFP creates a significant risk of contract attrition, as SWEB is witnessing first-hand in New York. More than 90% of the NYSERDA projects that were awarded contracts in the last round of the RFP have abandoned their contracts. NYSERDA is now forced to allow the projects to rebid and is losing time and resources by having to run a secondary procurement. This leaves New York State in a precarious position where they are scrambling to meet their 70 by 2030 goal. SWEB does not want to see a similar situation happen in Ontario.</p> <p data-bbox="740 1344 1495 1570">Furthermore, the enhanced revenue model that the IESO has presented creates significant exposure to a variety of risks that cannot be managed by proponents, including all curtailment risk. Increased risks on the side of the proponent will ultimately lead to additional cost being built into bid prices and will eventually land on the ratepayers.</p> <p data-bbox="740 1621 1495 1814">Additionally, there is a considerable amount of competition going on across various nearby jurisdictions (Nova Scotia, New Brunswick, Alberta, Quebec, USA, etc.). Proponents are going to prioritize less risky revenue models or revenue models which are more simplistic and well-known.</p>

SWEB recommends that the IESO use a revenue model which reduces risks and replaces the proposed Enhanced PPA with a straightforward PPA with an indexed fixed price.

General Comments/Feedback

Municipal Support Resolutions & Municipal Engagement

Municipalities who only provide their support in response to a firm project layout ignore the fact that projects must evolve their layouts to address permitting requirements post contract. If the IESO is adamant that a formal Municipal Support Resolution is required pre bid, then SWEB requests that the IESO clearly articulate process and mechanisms to allow this to occur.

SWEB also requests clarity from the IESO as to how projects will achieve Municipal Support Resolutions from projects located in disorganized townships on private land? This will specifically impact projects which are proposed in the north.

During the LT1 procurement process, proponents experienced many difficulties achieving Municipal Support Resolutions due to a lack of municipal planning policies and regulations in addition to a lack of information about the LT Procurements. SWEB recommends that the IESO works with all municipalities to not only inform them on the LT2 procurement but to also ensure that the municipalities have or will be creating updated land use regulations to permit generation projects.

Crown Land Access

SWEB would like to get clarity from the IESO as to how proponents can participate in the LT2 RFP with confidence that crown land will be available for access and use for projects? SWEB has reviewed the current crown land use atlas and has met with the MNRF in the past. The process for using crown land for generation projects is unclear and will require a length policy review and adaptation process. Furthermore, the MNRF does not seem to have adequate resourcing to handle renewable energy applications at the volume that will be reflected in this procurement.

Acknowledgement

SWEB would like to acknowledge the efforts the IESO team has put into drafting the engagement presentation and commends the IESO on its engagement with the public.