

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?	Enwave is supportive of a cadenced approach to Long Term (LT) and Medium Term (MT) Requests for Proposals (RFPs).
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?	No comments at this time.
Do you have any concerns regarding the proposed target setting approach for upcoming MT RFPs?	No comments at this time.
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 comments.

LT2 RFP Resource Eligibility and Timelines

Do you have any general feedback on resource eligibility and timelines?

Enwave requests that dispatchable loads (including aggregations of dispatchable loads <1MW of individual size which the IESO has committed to enable via the Enabling Resources Program) be eligible for LT II and subsequent procurements.

Enabling dispatchable loads will provide customers with more opportunities and options to locate generation, storage and load flexibility solutions at their sites – providing dispatchable energy – using metering arrangements that may be simpler, faster, and more efficient to implement than if these sites are required to configure themselves as dispatchable generation.

Including dispatchable loads as described above will help bring additional resources to the procurements to drive more competition and value for ratepayers while also opening the procurements to a wider range of customers across Ontario that are interested in hosting electricity resources on their site. The inclusion of dispatchable loads will also support customer and community energy preferences. Similar to traditional, large-scale resources, making customer-sited resources eligible for long-term contracts will provide the revenue certainty necessary for investment in these resources, including necessary metering arrangements and other costs associated with establishing electricity market participation. Including dispatchable loads will enable a greater number of resources to participate in the procurements to support Ontario's energy needs.

It is also requested that eligibility for LT II include customer-sited resources enabled by both the IESO's foundational and enhanced DER participation models – understanding that the enhanced models will enable general service customers to participate in aggregations of dispatchable load/generation – subject to the IESO completing the implementation of the enhanced model in advance of the LT II commercial operation date.

It is requested that all forthcoming IESO procurements (including LT II) allow new resources contracted under bi-lateral Power Purchase Agreements (PPAs) directly between a customer and a generator/supplier (including

Topic	Feedback
	those that could be established under the proposed changes to the Industrial Conservation Initiative) to participate in IESO procurements provided the capacity or energy offered to the IESO is distinct from the capacity/energy committed to the PPA customer at any given time. This approach will allow an electricity resource supplier to split certain costs (e.g. fixed infrastructure for site connection) between the PPA customer(s) and the IESO, enabling suppliers to optimize the use of an asset for the needs of a PPA user and the IESO, and reduce costs for both customer sets and accordingly, Ontario ratepayers.
If the potential of repowering an existing facility applies to you, would you be interested in exploring this option further?	No comments at this time.
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 comments at this time.
What considerations should be taken into account for new-build DERs?	See above comments re: DER eligibility
Please express any interest and opportunities for uprates and/or expansions at any of your existing facilities.	No comments at this time.

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?	No comments at this time.

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Do you have any general suggestions for how to approach deliverability evaluation in the LT2 RFP?	The inclusion of aggregations of DERs enabled by the IESO’s Enabling Resources Program is a great step by the IESO and will enable customer-sited and direct-distribution connected resources across the province to contribute to Ontario’s need for clean, affordable and reliable electricity. DER developers will need to work with Local Distribution Companies (LDCs) across the province to determine hosting capacity on distribution networks, which will place additional demands on LDC resources. Enwave encourages the IESO to work with LDCs to ensure that they have access to additional support/resources if and as needed to enable their critical role in assessing DER deliverability.

LT2 RFP Design Considerations – General Feedback

Topic	Feedback
Do you have any comments regarding the impacts that agricultural land-use limitations may have on project development?	No comments at this time.
Do you have any comments regarding what evaluation criteria can be utilized to evaluate project readiness, given tight timelines and reliability needs?	No comments at this time.
Do you have input on the proposed mechanism for valuing Indigenous participation?	No comments at this time.
Are there any other rated criteria that should be considered?	No comments at this time.

Long Lead Time Resources

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

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?	Enwave requests that the IESO provide further information on the assumptions it will make regarding the market participation of different resource types in order to determine the deemed monthly energy revenue that a facility ought to have earned.

General Comments/Feedback

Enwave appreciates the work and effort that the IESO team has put into developing the cadenced approach to electricity resource procurements and to engaging with the sector to develop the associated procurement approaches. Enwave also appreciates the IESO's inclusion of distributed energy resources (DERs) – including aggregations of smaller scale, customer-sited resources in this procurement, leveraging the models to be put in place by the IESO's Enabling Resources Program. Including aggregations of customer-sited resources (i.e. aggregations of dispatchable load, and aggregations of dispatchable generation) will support the realization of customer and community energy preferences and bring more resources to market faster to meet Ontario's electricity needs.

Enwave welcomes the opportunity to work with the IESO to develop approaches to recognize the value of non-traditional resources that have significant capability to provide electricity ratepayer value and support Ontario's growing need for clean, reliable, and affordable electricity by reducing the energy or capacity that the IESO would otherwise need to procure (e.g. ground source and district energy systems). For example, for cooling, a district connection reduces the electricity requirements to cool a building from 0.9-1.2 kW/ton of cooling required for a traditional chiller to 0.37 kW/ton for a district-connected building. Enwave looks forward to working with the IESO to determine approaches

to recognizing the value that these solutions provide to Ontario electricity ratepayers in avoided peak capacity and sustained energy savings.