

Feedback Form

Long-Term 2 (LT2) RFP – February 15, 2024

Feedback Provided by:

Name: Nathan Roscoe

Title: Associate Director of Development

Organization: EDP Renewables Canada Ltd.

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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. If you wish to provide confidential feedback, please mark "Confidential".

Following the LT2 RFP February 1, 2024, 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 engagement@ieso.ca by February 15, 2024.

Revenue Model

Topic	Feedback
<ul style="list-style-type: none"> - Do you have any additional comments regarding the revenue model, particularly with regards to the following: Deeming energy market revenues based on real-time locational marginal prices (LMP), as opposed to the IESO's recommendation of basing this on the day-ahead LMP. (Slides 19-21) • The optionality of using either a simple average day-ahead price or weighted average LMP, with the latter including hours where the resource was scheduled day-ahead in a given month. (Slides 22-23) • Including monthly production factors that on average equate to the annual production factor, in order to further account for seasonality. (Slides 24-26) 	<ul style="list-style-type: none"> - We have extensively reviewed the proposed E-PPA revenue model and do not believe it will be successful for the Long-Term 2 RFP. - Fundamentally, the E-PPA revenue model is heavily dependent on the Day-Ahead market pricing whose structure is not at a mature level to support the LT2 RFP pricing assumptions. - Furthermore, this revenue model supports the development of projects based on a Locational Marginal pricing system similar to other jurisdictions. A history of Locational Marginal pricing is non-existent in Ontario and therefore difficult to locate and authorize spending and financing for future project development. - There are also significant restrictions based on the timing of the LT2 RFP release and the needs of the province. Our understanding is that LT2 is designed to procure generation to meet system needs at an affordable price for Ontarians. The proposed E-PPA model will restrict development locations and likely increase bid prices due to the variability of assumptions created by the new E-PPA revenue model. - Additionally, government policies that will have direct impacts on where projects are sited and what transmission constraints may exist within the system remain uncertain. This is a significant challenge for developers, as an underpinning of revenue models like this is to maximize locational value of projects.
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DERs

Topic	Feedback
<ul style="list-style-type: none"> - Do you have any comments regarding eligibility requirements for DERs or other general comments? 	-

Capacity Resources

Topic	Feedback
Do you have any comments regarding considerations for acquiring additional capacity resources, and utilizing a multi-stream approach (energy and capacity streams)?	-

LT2 Deliverability

Topic	Feedback
<ul style="list-style-type: none">- Do you have any comments on early deliverability data and evaluation stage deliverability?	<ul style="list-style-type: none">- We strongly encourage the IESO to release regular system updates; specifically identifying the capacities of all transmission circuits. This will greatly assist developers in the selection of the projects where the project can connect and be of greatest benefit to the system.

Repowering

Topic	Feedback
<ul style="list-style-type: none">- Do you have any comments around repowering participation?	-

Long Lead-Time Resources

Topic	Feedback
<ul style="list-style-type: none">- Do you have any comments on enabling long-lead time resources?	-

General Comments/Feedback