

Feedback Form

Long-Term RFP – February 8, 2022

Feedback Provided by:

Name: Melissa DeValles

Title: Director of Commercialization

Organization: Malta, Inc

Email: [REDACTED]

Date: February 17, 2022

Following the February 8th public webinar on the Long-Term RFP, the Independent Electricity System Operator (IESO) is seeking feedback from participants on a variety of elements to help further inform the draft RFP and Contract, including: potential revenue streams, contracting mechanisms, term length and forward period, ability of resources to meet mandatory requirements and rated criteria, as well as the general approach to the RFQ including the proposed method to evaluate finances and experience.

The referenced presentation can be found on the [Long-Term RFP webpage](#).

Please provide feedback by February 18, 2022 to engagement@ieso.ca.

Please use subject header: **Long-Term RFP**. To promote transparency, this feedback will be posted on the [Long-Term RFP webpage](#) unless otherwise requested by the sender.

The IESO will work to consider and incorporate comments as appropriate and post responses on the webpage.

Thank you for your contribution.

Revenue Streams

Topic	Feedback
<p>Please provide feedback on the revenue stream options that the IESO proposed.</p> <p>Are there additional revenue streams that proponents see that can be monetized?</p>	<p>Storage technologies that can provide critical inertia and voltage support should be considered as revenue streams that can be monetized.</p>
<p>Other jurisdictions have procured new-build resources under long-term agreements through a variety of contract types (power purchase agreements, capacity only contracts, capacity contracts with energy components, etc.). What lessons do stakeholders have from their experience with these other contracting mechanisms?</p>	
<p>What opportunities do stakeholders see in the future to monetize environmental attributes ?</p>	<p>Malta supports the recent announcement to devise a Clean Energy Credit market and registry for Ontario but contends that such efforts should enable investment in clean energy technologies such as long-duration energy storage. Monetizing EAs will provide for a lower cost of service for inducing investment, and therefore will be of benefit for Ontario ratepayers.</p>

Term Length and Forward Period

Topic	Feedback
Please provide feedback on the options for additional term-length that the IESO proposed.	For critical enabling technologies like long duration energy storage, particularly Malta that has a long asset life, only providing short term contracting could increase the overall cost and reduce certainties on ability to execute a financing package. Particularly problematic is that the market is not a deeply traded market and therefore to be in a merchant position at year 10 would pose a challenge to early project investors to take a position in a market without robust forward pricing curves. This increases the cost of capital to due to the risk in the outyears.
Do stakeholders feel that the options presented provide proponents with some certainty from an investment and/or financing perspective?	Procuring on a 7-10 year term solely for UCAP will be a challenge for any vendor to participate in the market. A bundling of products across capacity, energy and ancillary services is required with a longer, more reasonable term of contract aligned with what is being offered in comparable markets in Canada and the United States.
What are some options for additional term that the IESO should consider?	Malta would support optionality for vendors to bid in for different term lengths up to the life of their given asset.
<p>Are stakeholders aware of any resources (new-build and/or expansions to existing resources) that able to come into service as early as 2025?</p> <p>What challenges would resources face with being fully operational by 2025?</p> <p>Please provide any additional information that may help inform the IESO of potential projects and their development timelines, in order to help guide discussions around LT I RFP forward periods.</p>	For critical enabling technologies like long duration energy storage, long-term contractual commitments allow for the acceleration and funding of critical development milestones including necessary risk-management wraps, financing packages and finalized definitive documents.

Mandatory Requirements and Rated Criteria

Topic	Feedback
Please provide feedback on the mandatory requirements the IESO proposed.	

Topic	Feedback
<p>The IESO presented a number of technical characteristics that are desirable from a system value perspective, that may form rated criteria in LT I RFP.</p> <p>Please provide feedback on the characteristics proposed and their applicability as rated criteria.</p>	

RFQ

Topic	Feedback
<p>Do stakeholders feel that the high level approach proposed for the RFQ satisfies the IESO’s goal of ensuring that interested parties have the capability to undertake project development for the LT I RFP, while also enabling competition?</p>	

General Comments/Feedback

In defining eligible storage technologies, please consider taking a technology neutral approach, not constraining the technical specifications or requirements so as to exclude storage technologies outside of Li-ion based solutions. That is, there are commercial-ready long-duration energy storage technologies that could benefit the IESO.

A system like Malta can extremely cost-effectively phase-in added storage duration incrementally over time, essentially offering a “decoupled storage” product - capacity and duration can be designed distinctly. That is, a technology like Malta’s allows you to phase-in increasing hours of storage duration at an existing asset, for example going from a 10-hour to a 15-hour storage asset, at an extremely low incremental cost and no fundamental change to the plant except for more storage media. This kind of value acts as a “future proofing” for the changing needs of the system. These assets offer a unique ability to adapt a near-term investment over time as the level of storage duration needs on the system evolve, particularly as renewable penetration increases. How will you score technologies that provide a “de-coupling flexibility”?