

Feedback Form

Long-Term RFP – March 10, 2022

Feedback Provided by:

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Following the March 10th 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: term length, revenue streams, deliverability process and Draft RFQ.

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

Please provide feedback by March 17, 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.

Term Length

Topic	Feedback
Does the revised, 15-year term length provide stakeholders with sufficient certainty for project financing and development?	For certain assets, perhaps but a 15 year term is expected to be insufficient for new waterpower, whether greenfield or brownfield. These assets have lifespans of 100+ years. New development is capital intensive and a longer term contracts have proven to provide better value for ratepayers. The RFP should provide for varying contract lengths depending on the asset type.

Revenue Streams

Topic	Feedback
Are stakeholders supportive of the high level approach for additional revenue streams, discussed in slides 26-28?	As noted in the presentation, stakeholders have voiced a preference for a bundled, PPA style approach. This should continue to be an option made available. Such contracts can be designed to meet market objectives.
Does an option with a capacity payment and energy market hedge provide stakeholders with sufficient certainty?	The Energy Hedge option has some potential in this regard and should be further explored.
Do stakeholders believe that the high level revenue stream option supports efficient market operation? Are there additional considerations that could help support energy market efficiency?	

Deliverability Process

Topic	Feedback
<p>Do stakeholders have any comments on the deliverability process laid out on slides 34-36?</p>	<p>The IESO should not strictly “avoid” procuring resources in areas with limited connection availability due to transmission/distribution system limitations, but also identify areas where system improvements and investments could unlock potential. The system needs are changing rapidly. These are long term investments serving long term requirements that continue to evolve.</p>
<p>Does the general timing of the proposed deliverability process (i.e., a deliverability assessment window prior to proposal submission) provide stakeholders with enough clarity on the deliverability of their proposed project?</p>	

Draft RFQ

Topic	Feedback
<p>Do stakeholders have any general comments on the draft RFQ as discussed on slides 37-46?</p> <p><i>Please note that specific draft RFQ feedback is requested on the feedback form sent alongside the draft RFQ on February 28.</i></p>	<p>The proposed requirements that an RFQ Applicant must have directly owned two (2) or more electricity generation or storage facilities (large facilities) or directly owned five (5) or more electricity generation or storage facilities (small facilities) necessarily precludes new market entrants and, in some cases (particularly small hydro) existing generators. This requirement should be removed. Similarly, the requirements that such facilities have achieved commercial operation in Canada or the United States no more than ten (10) years (large facilities) or five (5) years prior to the date of the Qualification Submission is a significant and unnecessary barrier, particularly for long-lead time assets such as hydro. There are few proponents who could meet these provisions.</p>

General Comments/Feedback

Given the extremely compressed timeline for bringing new greenfield assets into service for this first Long Term RFP, long lead time assets such as hydro will be unlikely to be able to compete, compromising the “technology neutral” philosophy of the IESO’s approach. Notwithstanding this fact, the rules applied to this RFP are expected to inform the approach taken by the IESO to subsequent similar procurements and, as such, it is imperative that the requirements do not, by design, restrict future participation of hydro.