

# Feedback Form

## Long-Term RFP – November 7, 2022

### Feedback Provided by:

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Date: November 14<sup>th</sup>, 2022

Following the November 7<sup>th</sup> public meeting on the Long-Term RFP, the Independent Electricity System Operator (IESO) is seeking feedback from participants on the proposed deemed generation model.

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

**Please provide feedback by November 14, 2022 to [engagement@ieso.ca](mailto: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.

Thank you for your contribution.

## Deemed generation model

Topic	Feedback
Do you support the proposed approach with fixed VOM and CRE value? Please explain why or why not.	
Do you have any feedback on the use of non-continuous 4 hours in the model?	
Is there anything further you recommend be considered with respect to the implementation of this alternative model?	
Do you have any general feedback on the two models presented, including any feedback on financeability?	
Do you have any feedback on potential market and operational impacts between the two models?	

## Materials Cost Index Adjustment (MCIA): Lithium

Topic	Feedback
Do you have any feedback on the appropriate weighting for lithium in the MCIA?	

## General Comments/Feedback

1. In the document IESO E-LT1 and LT1 RFP, CIB Investment Overview, October 18, 2022, page 6, point #2 "The CIB offers an RCA for a fixed percentage of all revenues..." We understood that the CIB would attach to Capacity revenues, do they now propose to attach to all revenue streams from the IESO such as Energy, Operating Reserves, Regulation Capacity as well as other potential revenue streams?
2. The IESO Security requirement of \$60k or \$45k per MW of capacity presents a chicken & egg situation.
  - In order for a Supplier to secure financing, they need a contract from the IESO.
  - Under the IESO E-LT1 RFP | November 8, 2022, the Completion and Performance Security must be provided to the IESO as of the Contract Date

RECOMMENDATION: The IESO allow a reasonable grace period [120 to 180 days] between the Contract Date and the date on which the Completion and Performance Security is furnished on a non-recourse basis.

3. The addition of the CIB participation is very welcome however it complicates the financial structuring.

RECOMMENDATION: The IESO host a round table working meeting with the CIB and those commercial banks which have been in discussions with CIB to share the proposed structure and any intercreditor agreements developed.

4. Financiers of projects will want to confirm that the IESO and the CIB will agree to an assignability of the offtake contract between the IESO and the Supplier. In the event of an insolvency of the Supplier.

RECOMMENDATION: As in point #3