

# Feedback Form

## Long-Term RFP – June 29, 2023

### Feedback Provided by:

Name: Julien Wu

Title: Director – Regulatory Affairs

Organization: Evolgen by Brookfield Renewable

Email: [REDACTED]

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Following the June 29<sup>th</sup> public webinar on the Long-Term RFP (LT1 RFP), the Independent Electricity System Operator (IESO) is seeking feedback from participants on design of the LT1 RFP and LT1 Contract.

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

**Please provide feedback by July 13, 2023 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 and post responses on the webpage.

Thank you for your contribution.

## Revised COD of May 1, 2028

<b>Topic</b>	<b>Feedback</b>
Are Proponents supportive of the revised COD date and the introduction of Capacity payment multipliers for early operation?	Evolugen is supportive of the revised date, as well as the maintenance of the early operation multiplier.

## Revised procurement targets

<b>Topic</b>	<b>Feedback</b>
Are Proponents supportive of the revised LT1 procurement targets on slide 15, which has increased the overall procurement target from 2,200MW to 2,505MW? This enables unused MWs in the Non-Storage Category from the E-LT1 RFP to the Non-Storage Category in the LT1 RFP. The IESO continues to reserve the right to accept the marginal bid above the Storage Category procurement target.	<p>Given that the Exp-RFP's non-storage category was under-subscribed and cleared at a higher price, we recommend that the IESO increase the procurement target of LT1-RFP's storage category instead, to increase the likelihood of another fully subscribed and lower-priced outcome.</p> <p>In addition, as the Exp-RFP's storage category saw more MWs offered and cleared at a lower price, it is likely that more MWs would again be offered in the storage category in the LT1-RFP. In this context, we recommend the IESO to reverse the clearing order of the two categories for the LT1-RFP, and clear storage projects first instead. This revision would ensure that LT1-RFP clear more lower-priced projects, to the ultimate benefit of ratepayers.</p>

## Changes to Rated Criteria

<b>Topic</b>	<b>Feedback</b>
<p>Are Proponents supportive of the revised Rated Criteria approach as laid out on slides 20 and 21? This includes the removal of the duration of service as a Rated Criteria and setting minimum duration requirements as a Mandatory Criteria for Storage Category and Non-Storage Category resources.</p> <p>Remaining Rated Criteria include: Local Governing Body Support, and Indigenous Participation.</p>	We generally support the proposal.

## Inclusion of the MCIA in the LT1 RFP

Topic	Feedback
Are Proponents supportive of continuing to include MCIA options in the LT1 RFP?	While we support the revised COD date, the revision would further increase the time gap between bid submission and contract award. As stated in our previous submissions, cost fluctuation between bid submission and contract award remains a significant risk that proponents find difficult to manage, which could result in higher offer prices and/or project default. In this sense, we support the inclusion of the MCIA as an option to manage cost risks, but we again urge the IESO to allow proponents more flexibility in choosing their own MCIA weighting to incentivize uptake.

## Changes to Proponent Group Award Limit

Topic	Feedback
Are Proponents supportive of increasing the Group Award Limit for Storage Category resources from 600 MW to 900 MW?  Additionally, the IESO invites Proponents to provide Group Award Limit feedback with regards to the Non-Storage Category.	

## Other or General Comments/Feedback:

We wish to highlight a number of uncertainties that the IESO can help proponents manage and de-risk, to maximize RFP participation and lower offer prices.

- We understand that the lengthy time gap between bid submission and contract award is unavoidable. However, this time gap nevertheless creates cost uncertainties that proponents can find difficult to manage. Also, the implementation of Market Renewal remains another uncertainty that proponents can find difficult to model. As such, we recommend the IESO to implement a more flexible MCIA option, and to re-introduce the spread adjustment factor.
- We urge the IESO to work with Hydro One to help proponents better understand the deliverability testing process and the latest system conditions (e.g., interconnection room by region and substation). In particular, we strongly recommend the IESO to introduce pathways

for proponents to self-fund transmission grid side upgrades that would relieve transmission bottlenecks that limit a project's deliverability testing success. Such options could significantly increase the number of bids received by the IESO to increase competition.

- Finally, we support a longer time gap between the release of deliverability testing results and the bid submission deadline, to allow proponents the time to continue proper consultation with municipalities and other stakeholders.