

Feedback Form

Long-Term RFP – August 17, 2023

Feedback Provided by:

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Following the August 17th public webinar on the Long-Term RFP (LT1 RFP), the Independent Electricity System Operator (IESO) is seeking feedback from participants on the changes to the rated criteria proposed in the meeting.

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

Please provide feedback by September 1, 2023 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.

Changes to Rated Criteria: Indigenous Community Participation

Topic	Feedback
<p>Are Proponents supportive of the revised Rated Criteria approach as laid out on slide 20 with respect to Indigenous Community Participation? This includes the introduction of more granularity to the economic interest segments, as well as an increase overall to the total points available for Indigenous Community Participation.</p>	<p>Enbridge is very supportive of IESO's intent to incentivize Indigenous economic participation, of the additional granularity to the economic interest segments, and of the additional points for being located on the traditional lands of the Indigenous groups with whom the Proponent has partnered.</p> <p>However, IESO's proposed approach could be improved to ensure that participation is not inadvertently discouraged or unnecessarily complex. These changes are especially important given the increased points IESO now plans to award for such Indigenous Economic Participation.</p> <p>There is still considerable uncertainty regarding how available tax credits, CIB or other financing for Indigenous Partners, and other financial and corporate structure issues will be resolved. The only certainty is that it will not be resolved by the bid date. These partnerships are complex and take considerable time and resources, particularly on the part of the Indigenous Partners, which is made worse by the regulatory uncertainty. Additional flexibility could significantly alleviate these resources required upfront and ensure that partnerships are able to make commercially reasonable decisions.</p> <p>Enbridge recommends IESO allow itself the flexibility, on a case-by-case basis where Indigenous Partners and Proponents agree, to allow Proponents to alter the equity stake to as low as 0% between Contract Award and COD, insofar as it is increased back to the original level at COD. This would allow for potential necessary restructuring to access the full tax credits and for the Indigenous Partners to access financing without undermining the Indigenous Economic Participation over the long-term of the project.</p>

Changes to Rated Criteria: Local Governing Body Support

Topic	Feedback
<p>Are Proponents supportive of the revised Rated Criteria approach as laid out on slide 21 with respect to Local Governing Body Support? This includes increasing the Rated Criteria points for Local Governing Body Support to 4, as well as changing the evaluation criteria weighting in the formula in section 4.4(d)(iii) from 0.3 to 0.2.</p>	<p>We are generally supportive of IESO’s decision to maintain Municipal Support as a rated criteria and of the related points to be awarded.</p> <p>However, we request that IESO clarify a key point regarding what Municipal Support Resolutions will be accepted as evidence of support.</p> <p>Specifically, the Municipal Support Prescribed Form asks for “A Municipal Support Resolution dated no earlier than February 17, 2023 OR a Blanket Municipal Support Resolution,” which the RFP describes as a resolution that “expresses the support of the Local Municipality for the development, construction, and operation of multiple Long-Term Reliability Projects...” The related Prescribed Form further clarifies the distinction, stating in the Guidance for Municipalities, that they “must either pass a Municipal Support Resolution (project-specific) or a Blanket Municipal Support Resolution.” Finally, in Section 3.6(c)(7) of the RFP, IESO states that “Where the Municipal Support Confirmation is in the form of a Municipal Support Resolution, the Municipal Support Resolution must be dated no earlier than February 17th, 2023.”</p> <p>All of this together implies that project-specific Municipal Support Resolutions issued prior to February 17, 2023 cannot be used under LT1, even where the resolution was broadly supportive (as broadly supportive as a blanket resolution) and not specific to the Expedited LT1 process. However, Blanket Municipal Support Resolutions prior to that date would be accepted, simply because they are not project specific.</p>

Topic	Feedback
	<p>As a result, in the interest of fairness and respect for Municipal decision-making, we request that IESO clarify that any Municipal Support Resolution that did not specifically reference the Expedited LT1 process or otherwise impose a time limit on the validity of the support resolution is acceptable under this LT1 RFP process, and that IESO update the RFP definitions and Municipal Support Prescribed Form accordingly.</p>

Changes to Indigenous Consultation (Duty to Consult)

Topic	Feedback
<p>Are Proponents supportive of the new Development and Construction Covenant added to the draft LT1 Contract (s2.2e), as well as process outlined in the Ministry of Energy’s draft Duty to Consult Delegation Letter template?</p>	<p>Enbridge fully supports a robust consultation process with Indigenous communities potentially impacted by the proposed projects. Proponents are likely already well down the path on this DTC process for certain of the projects they may submit under LT1. However, the direction from the Ministry and from IESO has been that Proponents could only engage with the Ministry to start the DTC process after contract award.</p> <p>As a result, we strongly recommend that Proponents be allowed to reach out to the Ministry to start the process at any time. We note that IESO has several future procurements planned and that projects not successful under LT1 may be proposed in future procurements, so all DTC consultation work could be put to good future use even if a contract is not awarded to a particular project under the current LT1 process.</p>

Other or General Comments/Feedback:

Enbridge appreciates the opportunity to provide comments on IESO’s proposed changes to the LT1 RFP and Contract. We have several concerns about regulatory risk, which is largely within IESO’s

control to mitigate, treatment of the ITC, and overly restrictive performance standards, and we agree with the positions and recommendations outlined in Power Advisory's July 13, 2023 comments, as submitted to IESO.

Bid Date

IESO has delayed the COD dates by one year but has maintained an impractically tight 2.5-month window between Deliverability Test results and bid date. We strongly recommend that the bid date be pushed back until no earlier than the end of February 2024, as outlined in our July 13, 2023 comments. This will provide additional time to develop and de-risk the projects, leading to a more competitive RFP. IESO should still be able to issue Contract Awards in the first half of 2024, or by the end of July 2024, as evidenced under ELT1. In any case, as noted above, a delay of a month or two in Contract Award date under LT1 would be unlikely to jeopardize a May 31, 2027 COD, and even less likely to put at risk the new May 31, 2028 COD deadline, insofar as the revised Contract Award date is communicated prior to the Bid Due Date.