

Feedback Form

Long-Term 2 RFP – December 13, 2023

Feedback Provided by:

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To promote transparency, feedback submitted will be posted on the Long-Term RFP engagement page unless otherwise requested by the sender.

Following the LT2 RFP engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on specific items discussed during the webinar. The webinar presentation and recording can be accessed from the [engagement web page](#).

Please submit feedback to <mailto:engagement@ieso.ca> by January 15, 2024. If you wish to provide confidential feedback, please mark “Confidential”. Feedback that is not marked “Confidential” will be posted on the engagement webpage.

Resource Adequacy Framework and Cadenced Procurement Approach

Topic	Feedback
<p>Do you have any comments or concerns regarding the cadenced nature between upcoming LT and MT RFPs?</p>	<p>Atura Power welcomes the opportunity to submit feedback to the IESO's consultation on the Long Term 2 Request for Proposals (LT2 RFP) and updated procurement approach.</p> <p>The longer-term procurement targets, timelines and cadence appear reasonable, and we appreciate the added clarity this brings to the market to enable more efficient planning and resourcing to encourage stable investment.</p>
<p>Do you have any comments or concerns regarding the proposed offering of both capacity style and new revenue model style of contracts, based on resource eligibility requirements and system needs?</p>	<p>Additional clarity would be helpful on the kind of product the IESO is hoping to encourage, with rough capacity/energy estimates. While the IESO has indicated its preference for energy in this procurement, it has designed a contract that is a huge challenge for variable generation that cannot control its output timing. This inherently favours hybrid or other capacity-style projects. Yet, the IESO has also stated that for capacity projects it may also consider a different capacity contract. If capacity is expected to use the other contract, it's unclear what success this proposed Enhanced PPA model will deliver from an energy-only perspective.</p> <p>That said, Atura does support the contractual distinction between energy and capacity revenues and contracting. It would be helpful to understand how these streams will be cross-evaluated and compete to determine a development pathway.</p>
<p>Do you have any concerns regarding the proposed target setting approach for upcoming MT RFPs?</p>	<p>No Comment</p>
<p>Do you have any comments regarding how best to employ bridging and extensions to contracts to facilitate the success of the Resource Adequacy Framework?</p>	<p>No Comment</p>

LT2 RFP Resource Eligibility and Timelines

Topic	Feedback
Do you have any general feedback on resource eligibility and timelines?	Regarding resource eligibility we suggest enabling fully hybrid resources with this procurement and ensuring the required enabling market rules are in place in time for this procurement.
If the potential of repowering an existing facility applies to you, would you be interested in exploring this option further?	No Comment
How should the optimal threshold for what constitutes a partial or fully repowered facility be determined and what considerations should be taken into account regarding the repowering of different resource types?	No Comment
What considerations should be taken into account for new-build DERs?	No Comment
Please express any interest and opportunities for uprates and/or expansions at any of your existing facilities.	No Comment

LT2 RFP Design Considerations – System Congestion and Deliverability Approach

Topic	Feedback
<p>What early system congestion information do proponents need to guide them in choosing the location of their projects and when is this needed by within the procurement cycle?</p>	<p>It would be advantageous if IESO could be more prescriptive, at an early stage, on where the energy is needed. The RFP should not be open to regions where resourcing is not required. IESO should refine target areas and quantities up front. Raising expectations in communities where the IESO does not need the energy, or it can't be delivered, would be ineffective for both the community and for the proponents. A high success rate and outcome are preferred and wasted effort and cost needs to be minimized.</p> <p>Proponents will need to clearly understand the IESO's criteria and perspectives on total line capacity (similar to the TAT/DAT tables), assumptions around deliverability and operational profiles, and any zonal caps.</p> <p>Information required:</p> <ul style="list-style-type: none"> - TAT/DAT tables. - Please provide assumptions of lines / new stations entering service <p>Please provide system congestion information as early as possible so that efforts can be focussed in specific areas.</p> <p>Proponents have no ability to control congestion therefore, it is not a risk proponents should need to bear.</p>
<p>Do you have any general suggestions for how to approach deliverability evaluation in the LT2 RFP?</p>	<p>We support the general approach to give detailed information to proponents early (we suggest no later than March/April 2024) to allow time for site development pre-bid. We recommend short circuit ratings of breakers and transmission lines be provided so that the deliverability can be modeled by the proponents to optimize sizing ahead of submission.</p>

LT2 RFP Design Considerations – General Feedback

Topic	Feedback
Do you have any comments regarding the impacts that agricultural land-use limitations may have on project development?	No Comment
Do you have any comments regarding what evaluation criteria can be utilized to evaluate project readiness, given tight timelines and reliability needs?	<p>We support Project Readiness evaluations as an important piece of diligence, to ensure projects can meet the tight timelines and reliability needs of the IESO.</p> <p>We believe that criteria for readiness should focus on the technical feasibility and preparedness to execute on the potential contract.</p> <p>Defining preparatory milestones which demonstrate readiness might include:</p> <ul style="list-style-type: none"> • A preliminary project execution plan, project description or design basis manual • Preliminary project schedule demonstrating COD • Initial noise study • Project specific geotechnical study • Ecological screening report • Preliminary Site Layout and Single Line Diagram • Major equipment selected <p>It is suggested that any evaluation criteria be detailed enough to allow for rated criteria points to be assigned on a sliding scale based on readiness.</p>
Do you have input on the proposed mechanism for valuing Indigenous participation?	Please refer to OPG's comment submission.
Are there any other rated criteria that should be considered?	As mentioned regarding project readiness, rated criteria points could be considered based on meeting the evaluation criteria.

Long Lead Time Resources

Topic	Feedback
Does the proposed approach to enabling long-lead time resources enable meaningful participation or sufficient certainty?	No Comment
What additional considerations should the IESO contemplate for enabling broader participation from long-lead time resources?	No Comment

Revenue Model

Topic	Feedback
As a potential proponent, are you generally supportive of the proposed Enhanced PPA revenue model? Are there any other considerations that the IESO should look into further with regards to the revenue model?	<p data-bbox="740 751 1490 1262">We support the concept of a deemed revenue contract structure that incents facilities to deliver power to the system when it is most needed. The capability for renewable energy resources to shape their power output varies with the type of resource. For example, hydroelectric and biomass facilities often inherently have some level of storage capability, while wind and solar resources would require the installation of additional equipment to create a storage capability, i.e. a hybrid resource. In order to level the playing field, we suggest full enablement of hybrid resources in this procurement to allow all renewable energy resources to have the capability of managing the timing of power production.</p> <p data-bbox="740 1299 1500 1570">The December 13 presentation on the contract structure was encouraging, however due to the limited amount of information presented, it is difficult to provide further detailed comments. We look forward to a furthermore detailed discussion on the contract structure, including risk allocation at the upcoming LT2 engagement session on February 1, 2024.</p> <p data-bbox="789 1633 1471 1787">Further, it would be helpful if the IESO could provide more detailed information about how it sees curtailment (and curtailment changes such as future build and/or transmission upgrades by zone).</p>

General Comments/Feedback

1. With respect to the RECs that will be produced in LT2, will IESO consider decoupling the proposed credits from the IESO contract? This would allow clean electricity generators to manage their respective credits produced – i.e. sell the credits in the market or utilize the credits to meet internal decarbonization targets.
 - a. If decoupling credits and the IESO contract is not an option, will IESO consider establishing a system where clean electricity generators in LT2 have a Right of First Refusal (ROFR) or priority access to purchase credits generated in the IESO contract?
 - b. Credit ownership, ROFR, or priority access is of particular interest to generators with other lines of business that will require the purchase of RECs to achieve the energy transition pathway as outlined in the Pathways to Decarbonization (P2D) report published December 2022. Specifically, P2D outlines a need for 15,000 MW of new hydrogen capacity to come online by 2050. Ontario hydrogen producers will need to utilize RECs to spur the development of new low carbon intensity hydrogen projects at scale and the broader Ontario hydrogen industry.