

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?	The 15-year term is a welcome improvement to the initial 7-year to 10-year term proposed by the IESO. Capital Power considers 15 years to provide sufficient term to support the financing and development of competitive projects capable of meeting Ontario's needs.

Revenue Streams

Topic	Feedback
Are stakeholders supportive of the high level approach for additional revenue streams, discussed in slides 26-28?	Capital Power is supportive of the general direction undertaken by the IESO and understands the IESO's interest in preserving the real-time market price signal. Capital Power expects the real-time market to continue to play an important role incentivizing economically efficient dispatch.
Does an option with a capacity payment and energy market hedge provide stakeholders with sufficient certainty?	Directionally this option is encouraging and recognizes that energy market revenues will not be sufficient on their own to incentivize investment. Whether or not a contract designed using this contract structure provides sufficient certainty will depend on pricing and other commercial terms.

Topic	Feedback
<p>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?</p>	<p>Capital Power’s view is that that in Ontario the economic function of the real-time market should be limited to efficient dispatch. Contracts, or rate regulation, have always been relied on in Ontario to incentivize investment in generation and Capital Power expects contracts to be similarly required going forward.</p> <p>Capital Power also agrees with comments made by the Market Surveillance Panel in 2005, noting that there are benefits to be obtained if procurement and regulated price contracts are designed to support dispatch efficiency. To realize these benefits, it’s important that competitively awarded contracts, bilaterally negotiated contracts, RMR contracts, and prescribed assets be incentivized to offer competitively into the market. Competition for the market through competitive procurement, and competition in the market through competitive dispatch, are equally important for ensuring efficient and competitive investment in Ontario.</p> <p>Directionally, the proposed designs support real-time market efficiency, but Capital Power notes that this efficiency can be undermined by other mechanisms that fall outside of the LTRFP design scope. Accordingly, efficiency should be assessed on a market-wide basis, with consideration to all procurement and revenue mechanisms.</p>

Deliverability Process

Topic	Feedback
<p>Do stakeholders have any comments on the deliverability process laid out on slides 34-36?</p>	<p>No comments at this time, but Capital Power looks forward to receiving more details on how deliverability will be assessed, and how projects participating in the Deliverability Window Process may impact projects competing in the same process, assuming they seek to rely on the same project connection.</p>

Topic	Feedback
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?	Subject to our requests for additional detail, it's very helpful to have this information prior to submitting a proposal. It'd be helpful if the IESO could also provide more details regarding the specific weeks/months between the RFQ, Deliverability Window Process and the RFP submission deadline.

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>With respect to the IESO's definitions of <i>expansion</i>, is this definition intended to capture development of any resource on existing sites with existing generation? The RFQ does not define facility, and Capital Power would like to understand if the definition is intended to capture facility expansions and site expansions. As drafted, the RFQ appears to only qualify <i>new builds</i> for participation in the LT RFP. Capital Power is concerned that this condition will prevent many of the most cost competitive projects in Ontario from participating in the LT RFP.</p> <p>Additional feedback will be provided on March 31st.</p>

General Comments/Feedback

Capital Power appreciates the IESO's efforts to advance the LTRFP and recognizes the material changes incorporated in response to stakeholder feedback.