



Independent Electricity System Operator (IESO)
120 Adelaide Street West, Suite 1600
Toronto, ON
Engagement@IESO.ca

May 2, 2022

RE: Draft Long-Term 1 RFQ (Version 2)

Flowers Canada (ON) Inc. (FCO) is pleased to provide commentary to the IESO and the Ministry of Energy regarding the recently announced prioritization of key transmission projects in Southwestern Ontario. FCO represents 220 greenhouse producers that account for more than 700 acres of fresh flowers and bedding plants. Generating farmgate sales of nearly \$900 million in 2021, the greenhouse floriculture sector is prepared to grow further at a rate of 5% per year over the next 5 years with access to sufficient energy infrastructure. While currently dependent on NG, our sector is adaptive and forward-thinking, and looking for opportunities to move toward blended and clean fuels as they become available. Our facilities are highly innovative, implementing technologies to mitigate our reliance on natural gas and dependence on energy over the long-term.

We have the ability to support a constrained electrical grid, maintaining current energy contracts distributing up nearly 40 Megawatts (MW) through the CHP1 and CHPSOP 2 programs. Our sector is well-positioned to take part in the opportunity to deploy projects contributing to the short and long-term energy needs of Ontario. On-farm electrical generation has the potential to support critical infrastructure necessary to achieve provincial housing targets and growth imperatives that would assist Ontario's Plan to Build. Leveraging assets across Ontario that are under-utilized and new assets that can be commissioned will strengthen the provincial electricity grid allowing urban development and sectoral growth.

The greenhouse floriculture sector is positioned to lead the Province of Ontario in a post-COVID-19 economic recovery with access to energy infrastructure. Outside of Southwestern Ontario, regions of Niagara and the Golden Horseshoe are poised to grow and concurrently support Ontario's energy needs. Enabling expansion and execution of on-farm electrical generation like the ones currently utilized will reinforce our growth opportunities.

With regards to the draft IESO LT1 RFQ dated April 22, 2022, please note our following recommendations:

Qualification Submission

The Qualification Submission Fee of \$11,300 (Section 2.7(b)(i)) should be refunded if the application is unsuccessful. According to Section 2.7(a), the fee is non-refundable, except in cases where “an RFQ Applicant withdraws a Qualification Submission prior to the Qualification Submission Deadline” as noted in Section 2.7(c)(ii).

Evaluation of Entity Development Experience

Section 3.2(b) details the the RFQ Applicant for Small Scale projects (>1MW and <5MW) to have extensive small-scale entity experience, including: The control or ownership of (5) or more Electricity generation or storage facilities (nameplate capacity of >500kW) for operational periods of less than five years, and they must not be ‘behind-the-meter’.

This requirements for the RFQ Applicant (Small-Scale) effectively disqualifies new CHP builds which could provide a beneficial synergy for fresh plant production and energy generation. The requirements 3.2(b)(i) should be rephrased to the following:

- “The RFQ Applicant or its Control Group Member must be able to demonstrate within the application that they have the capacity operate, monitor, maintain, inspect, and repair an Electricity resource.”

Determination of Eligibility

Concerning eligibility, Section 3.4(f), limits the expedited process to “Large-Scale LT1 Projects and to RFQ Applicants that satisfy both the Large-Scale Team Member Experience and the Large-Scale Entity Development Experience Threshold”. This restriction misses a large opportunity for mid/intermediate scale projects with total electrical generating capacity between 3MW and 30 MW. Section 3.4(f) must include Small-Scale LT1 Projects, even if keeping the “required level of proposal security under the Expedited Process is proposed to be 1.5 times the amount of the Base Proposal Security.”

Our sector is eager to support the province in contributing to energy needs of Ontarians, particularly in periods where our greenhouses’ Electricity generation is in excess of what is required for production. We look forward to collaborating further with the IESO and other stakeholders as the LT1 RFQ process continues to become more defined.

Sincerely,

Andrew Morse
Executive Director
Flowers Canada (ON) Inc.



Cc: TOGA, OGVG, FCO Board of Directors, Ontario Minister of Energy