

Feedback Form

Long-Term RFP – July 21, 2022

Feedback Provided by:

Name: [REDACTED]

Title: [REDACTED]

Organization: [REDACTED]

Email:

Date: August 4, 2022

Following the July 21st public webinar on the Long-Term RFP, the Independent Electricity System Operator (IESO) is seeking feedback from participants on: Municipal Council Support Resolution, Contract Design, Revised Timelines, and the Deliverability Test Guidance Document.

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

Please provide feedback by August 4, 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.

Municipal Council Support Resolution

Topic	Feedback
<p>Please provide any feedback on the IESO’s proposal to change the Municipal Council Support Resolution from a mandatory requirement to a rated criteria.</p>	<p>For the Expedited RFP and the LT1 RFP, we agree with the IESO’s proposal to change the Municipal Council Support Resolution from a mandatory requirement to a rated criteria.</p> <p>For the Expedited RFP and the LT1 RFP, we recommend that the IESO does not ask Municipalities to provide generic Municipal Council Support Resolutions as generic resolutions are most often highly conditional and do not provide any tangible indication of a project’s likelihood of obtaining an eventual municipal approval.</p> <p>Further to that, for the Expedited RFP and the LT1 RFP, we recommend the IESO provide higher rating for Municipal Council Support Resolutions that substantiate that the underlying project is at an advanced state of readiness and is likely to obtain an eventual municipal approval.</p>

Proposed Contract Design

Topic	Feedback
<p>Please provide any feedback on the potential use of indexing in the contracts and what indices (if any) may be best suited for these procurements.</p>	<p>Specifically for battery storage projects, we agree with the IESO's proposal to use indexing in their contracts, as battery storage suppliers are not prepared to provide fixed pricing for an extended period of time and in some cases, pricing is not going to be fixed until the first delivery of battery storage equipment.</p> <p>In addition, as battery storage equipment is priced at an all time high right now, but is expected to drop over the course of the next 12-18 months, the use of indexing will allow the IESO to take advantage of lower costs if it procures capacity from battery storage projects.</p> <p>Specifically for battery storage projects, we recommend the IESO incorporate the following indices:</p> <ul style="list-style-type: none">- A lithium based index applied to approximately 70% of the bid price from the bid date to financial close with a portion of the bid price continuing to be subject to such lithium based index for the term of the contract to address the battery equipment augmentation required to maintain the guaranteed contract capacity;- A copper based index applied to 50% of the bid price from the bid date to financial close; and- An inflation based index applied to 100% of the bid price from the bid date to financial close with a portion of the bid price continuing to be subject to such inflation based index for the term of the contract to address inflationary impacts on operating costs.

LT1 RFP and Expedited Process: Revised Timelines

Topic	Feedback
<p>Please provide feedback on the proposed revised timelines and whether these seem appropriate.</p>	<p>We agree with the IESO proposed revised timelines.</p>

Deliverability Test Guidance Document

Topic	Feedback
Please provide any feedback on the Deliverability Test Guidance Document and associated form.	For the Expedited RFP and the LT1 RFP, where more than one qualified RFQ Applicant has included the same project in its RFQ Submission, we recommend that the IESO allow each such qualified RFQ Applicant to submit such project into the Deliverability Test provided that each such qualified RFQ Applicant submits the exact same three options associated with such project.

General Comments/Feedback

For the Expedited Process and the LT1 RFP, we strongly encourage the IESO to establish rated criteria for:

- A project that possess a support resolution from the First Nation that considers the land where such project is located to be part of their traditional territory (a "**Local First Nation**"). Additional rated criteria should be allocated to a project that has more than one support resolution from a Local First Nation.
- A project that has completed all or substantially all of its environmental permits and approvals.
- A project that has completed a system impact assessment, which was initiated prior to 2022
- A project that has a connection arrangement that is less likely to be constrained off and/or has more flexibility in being able to charge and discharge and/or provides additional system benefits.

In respect of the RFP contract, we strongly encourage the IESO to remove market pricing risk (i.e. energy and operating reserve markets) as there is too much uncertainty to properly account for over a 22 year term. Instead, we strongly encourage the IESO to structure the RFP contract as a contract for differences where proponents: (a) are asked to bid their net revenue requirement into the RFP and; (b) face penalties for not participating in the energy and operating reserve markets if minimum marginal cost metrics are met.