

Feedback Form

Long-Term RFP – July 21, 2022

Feedback Provided by:

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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
Please provide any feedback on the IESO’s proposal to change the Municipal Council Support Resolution from a mandatory requirement to a rated criteria.	EDF Renewables is generally supportive of this proposal for Expedited RFP (ERFP) and Long Term 1 RFP (LT RFP).

Proposed Contract Design

Topic	Feedback
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>EDF Renewables <u>strongly</u> encourages the IESO to include indexation in both the E-RFP and LT 1 RFP contracts to reduce the risk of non-delivery. The economic headwinds in the post COVID pandemic recovery, alongside significant shift in supply chains and increased customer demand is affecting pricing well beyond the reasonable control of the Buyer and Seller. Moreover, EDF Renewables is seeing indexation as a fair and reasonable risk balancing lever in recent C+I and utility PPA contracts. There are various relevant North American and international commodity price indexes, as well as general producer price indexes that could be applied in this case, and we would encourage the IESO to engage directly with proponents on this point.</p> <p>EDF recommends that:</p> <ul style="list-style-type: none"> • Pre-COD costs have 80% of contract price indexed to CPI and 20% indexed to Lithium Spot price. • Post-COD it would be helpful for 20% of the contract price to be indexed to CPI to cover O&M cost inflation.

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>The proposed revision to the process timelines is reasonable.</p> <p>With respect to the E-RFP Contract Award date being shifted to February 28, 2023, it is EDF Renewables' opinion that this is the latest date by which contracts could be awarded to achieve a 2025 in service date. Doing so would already require significantly more development risk than is typical.</p> <p>EDF Renewables would also flag the need for the IESO to continue working closely with relevant LDCs to expedite SIAs/CIAs as well as connections for contracted projects given the tight timelines.</p>

Deliverability Test Guidance Document

Please provide any feedback on the Deliverability Test Guidance Document and associated form.

In general, EDF Renewables will require greater clarity regarding the sequencing and respective requirements of the CIA and SIA applications and the deliverability assessment for the Expedited and LT1 processes, particularly in the case of a “deliverable but competing” result.

EDF Renewables supports the recommendation that the return of Proposal Security submitted in response to the LT1 RFP and/or Expedited Process will be tied to a proponent rescinding any CIA-DX for an unsuccessful project.

The Guidance Document indicates that the deliverability assessment for storage will be performed differently from generation only insofar as it will account for the risk that storage resources might charge at times of elevated system demand. EDF Renewables encourages IESO to reconsider this assessment, given the unique operating characteristics of storage and its potential interaction with other resources, specifically in terms of the ability of storage to alleviate the risk of over-supply of generation within a given zone.

With respect to the Deliverability Test Assumptions, EDF Renewables would emphasize that the assumption of wind and solar generation being at their maximum output, concurrently with all other generation technologies at maximum output, is not an accurate reflection of the grid and will result in needless disqualification of viable resources. Wind and solar output tend not to be correlated, and in the exceedingly improbable event that both are simultaneously generating at peak output, it is unlikely that thermal generation would be as well.

With respect to the Output of Existing Generation for the Storage Charging Test, it is highly improbable that a storage resource would be charged during a time period of zero wind, solar or peaking hydro output, as this would presumably be an exceptionally elevated price period. It is far more probable that storage would be discharging during these conditions.

General Comments/Feedback

- **Rated Criteria / Evaluated Bid Price system**

Scoring System Information Needed – EDF supports an Evaluated Bid Price system – it has been successfully deployed in previous RFPs in Ontario. However, EDF requests to review, as soon as possible, the weighted calculation those specific point 'brackets will have on the Final Evaluated Bid Proposal Price.

Indigenous Partnership Price Adder – EDF supports a Price Adder for both Expedited RFP and LT1 RFP. EDF is a holder of three (3) LRP projects that have 50% Indigenous ownership. An equity agreement takes significant time and resources to bring together a fair and equitable partnership agreement. These resources are further increased under very compressed timelines. As a result of the additional cost, an Adder is required to fairly evaluate a Project that has an Indigenous equity agreement relative to Projects that do not have an indigenous agreement. Moreover, an Adder allows Projects to approach communities and give the partnership added time and flexibility, since an Adder can be added after contract award yet before contract signature.

Duration – EDF recommends the IESO offer one (1) bonus point for a Project that can deliver a product beyond 8 hours duration.

GHGs – EDF would welcome rated criteria for the project's ability to lower Ontario's electric system GHG emissions profile.

- **Federal Funding** - The IESO should clarify how any federal funding will factor into these procurements. With the potential for significant financial support for non-emitting projects, the IESO should consider how this will impact the competitive nature of the procurement. For example, will the IESO sweep these funds, share them, or ignore them? Other jurisdictions can serve as an example for possible approaches.
- **Project Evolution** - The consultation and procurement are exceptionally fast-moving with companies actively engaged in development as well as acquisition and partnership discussions. The IESO should allow the maximum flexibility possible to allow these discussions to continue until the RFP bid dates. Project descriptions will also need to evolve, even for the expedited RFP, in response to the deliverability assessments as well as in response to the final RFP (mandatory and evaluated criteria) and form of contract (pricing/revenue mechanism).
- **Effective capacity** - Projects will be required to identify their effective capacity without the benefit of operating experience and without final contract details on operability and penalties. This is another reason to allow projects to evolve the project descriptions between RFQ and RFP for the expedited process.