

Ministry of Energy

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MC-994-2022-33

January 24, 2023

Ms Lesley Gallinger
President and Chief Executive Officer
Independent Electricity System Operator
1600—120 Adelaide Street West
Toronto ON M5H 1P1

Dear Ms Gallinger:

I would like to thank you and your team at the Independent Electricity System Operator (IESO) for your work on designing and engaging with stakeholders and communities on resource procurement mechanisms under the IESO's Resource Adequacy Framework.

Following my directive to the IESO on October 6, 2022, I am looking forward to the IESO concluding the Expedited Long-Term Request for Proposals (Expedited RFP).

Our government remains supportive of involving the Canada Infrastructure Bank (CIB) in the procurement process to reduce the costs of procurement and consequently the costs for Ontario electricity consumers.

Following the introduction of the Federal Government's recently announced Clean Technology Investment Tax Credit, which is expected to provide significant benefit to clean energy storage facilities, I understand that the CIB is no longer planning to offer a standard financing product to proponents of all standalone energy storage proposals in advance of bid submission.

Under the CIB's updated approach, I understand they would instead offer financing to standalone energy storage projects that fall above a threshold after the proposal submission deadline.

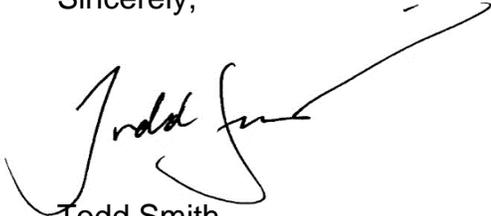
It is my expectation that the IESO would work within the Expedited RFP to enable the CIB's proposed approach of offering a standard financing product to submitted standalone energy storage proponents. I recognize that this could mean that the evaluation and selection process may need to be adjusted to account for the CIB's involvement.

It will be important for the CIB to work with proponents to minimize the time associated with this additional step in the process. I understand that the IESO intends to continue working with the CIB on this approach as you move forward on the Expedited RFP while maintaining the integrity of the procurement process.

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Thank you again and please accept my best wishes.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd Smith". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Todd Smith
Minister

- c: David Donovan, Chief of Staff to the Minister of Energy
- Jason Fitzsimmons, Deputy Minister of Energy
- Steen Hume, Assistant Deputy Minister, Energy Supply Policy Division
- Assistant Deputy Minister (Acting), Conservation and Renewable Energy Division