Feedback Form

2023 Annual Acquisition Report (AAR) – February 23, 2023

Feedback Provided by:

Name: Jennifer Green

Title: Executive Director

Organization: Canadian Biogas Association (CBA)

Email: [redacted]

Date: March 15, 2023

Following the February 23, 2023 engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the items discussed during the webinar. The webinar presentation and recording can be accessed from the engagement web page.

Please submit feedback to engagement@ieso.ca by **March 9**. If you wish to provide confidential feedback, please submit as a separate document, marked "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

Questions Directed at All Resource Types

Topic	Feedback
Do you agree with the IESO recognizing market exit as an uncertainty and its intention to consider that some facilities exit the market in its analysis?	N/A
Do you expect your facility to participate in the next 5-10 years? What are some considerations that may impact participation?	Biogas plants in Ontario with FIT contracts will be operational under their power purchase agreements for the next 5-10 years, however there is no pathway once their contracts expire and no incentive for new facilities to participate. Similar contracting arrangements that are in place/under development for small hydroelectric producers can be taken with biogas to ensure this valuable resource can reach its full potential, maintain jobs, support farmers, and enable landfill gas capture for municipalities. The IESO has recognized the need for new clean energy supply and the CBA estimates that there is potential for an additional 250 MW of new biogas generation in the province of Ontario.
Facilities require regular maintenance and operational activities throughout their lifecycle. At what year of life would your facility require significant capital investments to extend its usable life? How long of a commitment would you expect to pay-off significant capital investments?	N/A

Topic	Feedback
How can existing assets be maximized? What is needed for these facilities to stay and continue operation?	There are more than 56 biogas facilities in Ontario under contract with the IESO representing approximately 26 MW, and 16 landfill gas facilities representing approximately 53 MW for a total of 79 MW. However, at the end of the contract term for these facilities – with initial contracts coming up in the late 2020s – there are limited commercial pathways for them to maintain continued operation in Ontario. At the same time, there exists no preferable commercial pathways for new biogas facilities. Re-contracting existing biogas facilities before contracts expire will maximize existing assets that already have feedstock agreements and connections to the grid. It will help ensure that existing facilities plan their maintenance schedules accordingly, and secure feedstock agreements to enable ongoing future operation. The provincial government has directed the IESO to provide long term contracts to about 50 small hydroelectric producers, citing other societal benefits associated with electricity production from the facilities as important considerations. A similar approach can be taken with biogas, which also brings with it other societal benefits. The process to produce biogas sourced electricity also helps the province with organics diversion, soil health, digestate products, supports food security, as well as the potential for renewable natural gas as a future decarbonization pathway.
Is repowering your facility(ies) with a renewable fuel an option for future participation, and if so, what would be the earliest timeline for this?	N/A

Questions Directed at Natural Gas Facilities

Topic	Feedback
How do you interpret the expected Clean Electricity Regulations (CER) in terms of the impact on the future operation of your facilities, including for emergency use purposes?	Renewable natural gas (RNG), created from biogas, is a drop-in replacement that is interchangeable with natural gas and is low-carbon or negative-carbon. While electricity generation from natural gas may still be required for peaking demands, blending RNG with the fossil gas can add a clean component to electricity generation from gas.

Topic	Feedback
What impact will the rising federal carbon price have on the operation of your facilities in 2030 and beyond?	

Other

Topic	Feedback
Has the IESO missed any considerations in terms of the future participation of existing resources?	Click or tap here to enter text.

General Comments/Feedback

Ontario needs new clean electricity supply. Electricity demand is forecast to increase by an annual average of two per cent over the next 20 years. Existing generating infrastructure is aging and the Pickering Nuclear Generating station, a major source of supply, is scheduled to be retired in 2026. The continued use of existing biogas, and future development of both biogas and renewable natural gas, can provide meaningful contributions and pathways to meeting Ontario's increasing need for clean energy.