Feedback Form

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

Feedback Provided by:

Name: Craig Tavares

Title: COO

Organization: Validus Power Corp

Email: [redacted]

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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?	We agree market exit is an uncertainty, and you must consider that some facilities exit the market in the analysis. That being said we also believe it's important to have dialogue with existing facilities to understand their future intentions as they are approaching the end of a contract or commitment or should a company own an asset which is uncontracted and could provide value.
Do you expect your facility to participate in the next 5-10 years? What are some considerations that may impact participation?	Yes. Natural gas commodity prices, carbon costs and the ability to fully recover those with a degree of certainty through energy revenue. Capital investments into new or existing facilities or equipment and the ability to fully recover those through some sort of contracted revenue path.
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?	We own multiple sites therefore the answer varies slightly but generally speaking, year 1 will require a larger capital investment to overhaul our steam turbine generators and gas turbine generators as well as auxiliary/ancillary equipment. This would allow our plants to run up to an additional 20 years with regular overhauls and maintenance predicted in that time. For financial feasibility, we would require at least a 10 year commitment.

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How can existing assets be maximized? What is needed for these facilities to stay and continue operation?	Existing assets can be maximized by investing in those first rather than building new. **Uncontracted assets that could run for the same timeframe as new build being sought in the existing LT RFP's should be considered for participation in the LT RFP's.** The site development costs, permitting, public consultations, electrical interconnection, etc. are already in place. The investment amount would be lower by investing primarily in the generation equipment therefore the cost can be recovered either in a shorter timeframe at the same rate as a new build facility or at a lower cost if the contract term is longer. Some of our assets also have enough land or existing infrastructure to support expansion if it is required in the area. Facilities such as this should be considered and approached first even if it's for a different technology such as storage to co-locate and maximize the benefits of the existing infrastructure and permits in place. As stated earlier, contract term length or higher payments for short term contracts is what our facilities need to ensure recovery of capital investments.
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?	Renewable fuels such as hydrogen is always an option for most gas turbine generators however, the costs is still not economical in our opinion as the technology has not been broadly developed for extensive use. The supply volume required for gas turbines is not readily available in the area of our assets but should it become available, we would certainly incorporate it as much as possible. Our sites also have land available to do some hydrogen generation on site but the cost to do it at a scale that is meaningful still needs to be evaluated.

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?	Although we understand the goal of Clean Energy Regulations, we must consider emergency situations such as a large generation base tripping offline or transmission outages restricting flow. Renewables and/or storage may be able to sustain the load but their effectiveness would be dependent on daily conditions for variable generation and duration of the outage for storage. The emergency power supply solution for prolonged use would be natural gas facilities. As such it is our belief the grid must maintain a capacity of these resources until a new proven technology exists.
What impact will the rising federal carbon price have on the operation of your facilities in 2030 and beyond?	Federal Carbon prices are projected to overtake the commodity price for natural gas by 2030. This will require higher energy revenue to cover those operating costs and could require reinvestment in technological improvements to bring down the overall $/MWH that the facility can deliver.

Other

Topic	Feedback
Has the IESO missed any considerations in terms of the future participation of existing resources?	Although the IESO holds many engagements for the various areas of province, the current expectation is that any party wishing to participate in the market as a generator must follow the engagements in all of the areas to find where they may be able to operate. If the IESO is aware of upcoming issues where existing facilities could fill gaps at a lower cost because they already exist, we believe the IESO should proactively reach out to those resources.

General Comments/Feedback

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