

Feedback Form

Annual Acquisition Report

Public Information Session – April 8, 2022

Feedback Provided by:

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Following the April 8^h public information session on the Annual Acquisition Report (AAR), the Independent Electricity System Operator (IESO) is seeking feedback from participants on a variety of questions and details included in the report and session on April 8 to help further inform the path forward on meeting the needs identified in the AAR.

The referenced presentation can be found on the [AAR webpage](#).

Please provide feedback by **April, 27 2022 to engagement@ieso.ca**. Also, please feel free to send any questions or request for clarification on the AAR in advance of the April 20 engagement session. This will ensure the IESO is prepared to help inform stakeholder feedback before the April 27 deadline.

Same Technology Expansions

Topic	Feedback
What procurement/negotiation timelines (i.e., contract execution) and forward period would be required to support a 2025 in-service date?	Please clarify eligibility.
Is there any other external support (e.g., from the IESO) that would be needed to help proponents meet expedited development timelines?	
What considerations should be given for community engagement and/or indigenous participation?	

Forward Capacity Auction

Topic	Feedback
Expanded participation and eligibility for resources	
Demand curve parameters	
Interactions with the annual capacity auction including target capacities	
Input into the design of longer commitment periods	
Other business/engagement/participation considerations associated with longer forward periods	

Expedited Procurement

Topic	Feedback
<p>What incentives are sufficient to encourage expedited project development to meet the 2025 needs (e.g., term length, pricing adders, reduced RFP requirements)?</p>	<p>If the IESO wants to attract large corporate developers to the Expedited Procurement, it must compete with investment opportunities currently available in other markets. With large, active procurements proceeding in Quebec, Nova Scotia, Saskatchewan, New York, and New England, all of which offer contracts from 20-30 years, the IESO should increase the contract from 15 years to 20 years to ensure lowest cost pricing and attract national and global development companies to invest the time and investment money required to develop in Ontario.</p> <p>In addition to term, the IESO should offer evaluation incentives for projects that receive municipal support resolutions and/or Indigenous support resolutions. Due to the upcoming municipal elections, combined with the volume of MWs required in the province, we do not currently recommend making these mandatory. However, if the IESO offers significant priority points to these attributes, companies will make best efforts to secure local approval.</p>

What procurement timelines (i.e., contract execution) and forward period would be required to support a 2025 in-service date?

The timelines are extremely ambitious to design, finalize, and implement a procurement to secure new capacity for 2025. The key parameters to getting sufficient investors include: clear capacity target commitments, strong contract models to enable cost recovery and returns, and sufficient development timelines to allow long lead time supply chain delivery, permitting, construction and connections.

The contract issuance in December 2022 should (barely) allow sufficient development timelines, assuming the IESO is able to expedite connection assessments.

The major hurdle is currently finalizing the contract structure. The IESO has been slow to respond to stakeholder feedback on the need for a strong, certain investor signal to spark investment, especially given the compounding factors of Ontario's market (high contract risk, evolving market, challenging supply chain and global market prices, etc).

The IESO also needs to ensure that if it holds firm to the high level of experience for the expedited procurement, it allows sufficient time for partnerships and project sales for qualified companies to acquire more advanced projects.

Lastly, bidders must have grid connection availability information, with the highest level of detail possible, and a clear permitting regime with preestablished timeline for review and approval of permits. In order to meet a May 1 2025 COD, a project must bid without any reservation on grid connection limitations, or concerns about potential congestion. At a minimum, a TAT/DAT table should be released as soon as possible, and considerations made for additional details on grid connection

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	information down to feeder lines. As for permitting, IESO, Ministry of Energy, Ministry of Environment need to collaborate and work to articulate a clear permitting regime for energy storage facilities to ensure deliverability statements and project plans are not negatively impacted due to permitting requirements or issues.
Is there any other external support (e.g., from the IESO) that would be needed to help proponents meet expedited development timelines?	EDF Renewables must stress that while we can manage various aspects of project development, including project design, permitting risk and municipal and indigenous participation, the IESO must look to release connection assessment information (i.e. TAT/DAT) as soon as possible (even set a deadline on when it will be released), expedite interconnection processes and work with MOE and MECP to expedite permitting and clarify requirements and timelines.
What considerations should be given for community engagement and/or Indigenous participation?	EDF Renewables values community partnerships and support for the projects we advance. We have a strong record of local engagement and partnerships that continue for the life of our projects and beyond. These project attributes should be considered in the evaluated criteria of the RFP.

General Comments/Feedback

This section can include insight on the proposed additional mechanisms including:

- Whether these are the right mechanisms to support in-service dates of 2025/26?
- Are the proposed timelines for the expedited process achievable?

General Feedback (expand this text box as required):

Investors and project developers want to see clear, sustained procurement targets with multiple commercialization opportunities. In dynamic markets with high levels of activity, companies have multiple ways to commercialize their projects, which helps to de-risk the investment and build a project pipeline. For example, there may be centralized procurements, corporate PPAs, Load Serving Entities, and/or RECs.

In Ontario, because these features don't exist, developers will want to see steady, consistent procurement targets with clear inducement mechanisms in order to bring projects forward (and especially to expedite them). This means a clear communication of annual procurement targets and opportunities, preferably enshrined in regulation to protect it from undue interference.

In contrast, what EDF Renewables has seen published from the IESO through the APO and AAR is a complicated mix of procurement tools and targets, which confound unnecessarily recontracting needs with the need for greenfield development, thereby leaving investors uncertain about the magnitude of investment opportunity. For example, there is potentially three separate procurements with undefined MWs that can deliver new capacity projects in 2025 (LT1, Expedited, Same Technology) yet no clear procurement target in 2026, or 2028, and then a large need in 2029 (8855 MW). It is also very difficult to understand if the "Additional Actions Needed" green bar is an annual 'target'.

For this reason, we request that the IESO clearly articulate the annual need for new and existing/recontracted capacity, ideally with a 7-10 year horizon, so that investors can plan their projects and pipelines accordingly. We encourage the IESO to also consider how to flatten the annual procurement targets i.e. 1.7GW in 2027 and 8855 MW in 2029.

Lastly, we encourage the IESO to understand that as an investor, we can understand changes to the 7–10-year outlook. The APO and the AAR are new, yet increasingly thoughtful and trusted documents that can and should outline changes or augmentations to the 7–10-year horizon, especially if the information is shared as soon as possible to avoid stranding investments in projects that won't get built.