

# Feedback Form

## Clean Energy Credits – April 21, 2022

### Feedback Provided by:

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- Date: May 5, 2022
- Following the April 21, 2022 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](mailto:engagement@ieso.ca) by **May 5, 2022**.** 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.

## Registry Design Features

Topic	Feedback
Are there any registry features missing from the proposed list, either basic requirements or future functionality?	Click or tap here to enter text.

## CEC Product Offering Options

Topic	Feedback
Has IESO identified the right set of CEC product offerings? Are there any missing?	

Topic	Feedback
Are there benefits/challenges to any of the proposed CEC product offerings that have not been covered?	<p data-bbox="743 804 1513 1119">Unclear why storage is under consideration as an eligible source of CECs. Storage is a net consumer of electricity, and the provenance of that electricity can't be tied back to a specific resource in most circumstances. To the extent its consumption (and ultimate injection to the grid) is directly sourced from a clean resource, CEC generation would occur at the clean resource, and any additional CEC generated by the storage asset would be double counting.</p> <p data-bbox="743 1161 1513 1434">Unclear how the IESO intends to incorporate behind the meter generation into the CEC market. The IESO has historically indicated that it has little to no visibility on these resources, instead it must rely on self-reported generation. The lack of third-party verifiable data increases the risk of material errors and fails to establish the validity of the data.</p> <p data-bbox="743 1476 1513 1560">The IESO needs strong audit powers related to verification of CEC creation, sales, retirement, etc.</p> <p data-bbox="743 1602 1513 1749">Which entity does the IESO envision being responsible for ensuring customers don't make claims about be powered by clean energy when they're not backed by the retirement of CECs?</p>

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<p>Which CEC option(s) works best for your company? For Ontario?</p>	<p>The free distribution of CECs proposed under Option 1A fails to meet the IESO’s stated goal of having the CEC market “enable economic development by introducing a tool to help companies meet their clean energy goals.” The IESO’s survey of potential customers revealed that over half have a long-term target of 100% GHG emissions reductions. Freely allocating all CECs to all consumers would leave no CECs for those companies looking to go beyond the provincial average and reach 100% clean energy.</p> <p>As for Option 1B, it’s wholly inappropriate for the IESO to be taking a position in the CEC market as the sole or joint seller of credits given their role as market administrator (the same applies to use of a sole third party retained to monetize these credits on the IESO’s behalf).</p> <p>Northland supports Option 1C in which the IESO releases CECs to contract holders. This creates more sellers and better price discovery in the market, while allowing customers to meet their 100% clean energy targets.</p> <p>Proceeds from the sale of CECs could be shared between contract holders and the IESO, with the latter funds re-invested for the purpose of enabling and incentivizing additional investment in renewable generation (say through program incentives, resource enablement initiatives, etc.).</p> <p>To avoid residual supply mix concerns, the IESO could limit the number of credits it releases to contract holders; this has the additional benefit of limiting credit supply in a market that would be awash in credits if all 130 TWh of annual CECs were released.</p> <p>If the IESO’s number one priority is monetizing credits and avoiding the “sale of EAs at cost less than paid for by ratepayers”, it should allow contract holders to sell CECs to neighbouring jurisdictions where environmental attributes are more highly valued.</p>

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	<p>For customers that directly negotiate bundled PPAs with developers, they should receive some Global Adjustment relief. This will serve to increase the number of buyers in Ontario beyond just the IESO and facilitate the development of new renewable energy projects.</p> <p>Given the challenge of unwinding the current CEC situation, it's encouraging that the IESO's recent procurement activities suggest it will allow proponents to retain the right to their Environmental Attributes. This approach is being taken in the MT RFP and should be replicated for the Expedited and LT RFPs.</p>

## CEC Customer Preferences Survey

Topic	Feedback
<p>What are the most relevant findings from the CEC customer survey?</p>	<p>Customers want the ability to reach their 100% clean energy goals; freely allocating all CECs would prevent them from doing so.</p> <p>Customers have little interest in sourcing clean energy from nuclear generation.</p>

## General Comments/Feedback