Feedback Form

Local Generation Program – April 23, 2025

Feedback Provided by:

Name: Chris Caners

Title: General Manager

Organization: TREC SolarShare Co-operative (No. 1) Inc. "SolarShare"

Existing contract number (if applicable): We hold dozens of FIT Contracts

Email:

Date: May 9, 2025

Following the April 23, 2025 webinar to provide information on the Local Generation Program (LGP) and the high-level design of the program, the IESO is seeking feedback on the high-level design of the recontracting stream of the LGP

The referenced presentation and supporting materials can be found under the April 23, 2025 entry on the Local Generation Program webpage.

To promote transparency, feedback submitted will be posted on the Updates to IESO Monitoring Requirements: Phasor Data engagement page unless otherwise requested by the sender. If you wish to provide confidential feedback, please mark "Yes" below:

□ Yes – there is confidential information, do not post

X No – comfortable to publish to the IESO web page

Please provide feedback by May 9, 2025 to <u>engagement@ieso.ca</u>. Please use subject: *Feedback: Local Generation Program*.



Specific Questions for Existing Facilities / Suppliers:

Timing and logistical issues in recontracting

- 1. How long before the expiration of your existing contract could you confidently submit a price (\$/MWh) to continue operation of the facility after the contract expires?
- □ 1 year
- \boxtimes 2 years
- \Box 3 years
- \Box 4 years
- \Box 5 years
- \Box More than 5 years
- 2. In the case of recontracting, would you prefer (multiple choice):
- \boxtimes For my new contract to start immediately after the old contract expires; or
- $\boxtimes\;$ To be able to propose a new contract term start date; or
- Something else (please provide details)

Add the option for community capacity set-aside projects, particularly those that are co-operatively owned, to engage in community virtual net metering.

- 3. Do you anticipate any need to shut down your facility temporarily when the existing contract expires?
- 🗆 Yes

If yes, for how long?

- 🗆 No
- \boxtimes Not sure

If not sure, what additional information do you need?

We would seek to avoid or minimize shutting down the facilities to the largest extent possible; however, it may be necessary to curtail or shut down the facilities in the case of a refurbishment, upgrade or expansion. We would plan to refurbish, upgrade or expand facilities on a schedule based on the location, condition of the facility, equipment type, condition of the roof (if applicable), and contract status of the project in the context of our portfolio.

- 4. Do you anticipate any need to shut down your facility permenantly when the existing contract expires?
- □ Yes

If yes, what is the reason?

Click or tap here to enter text.

- □ No
- \bowtie Not sure

If not sure, what additional information do you need?

We wish to continue operating our existing facilities indefinitely (with appropriate refurbishment, upgrades or expansions); however our ability to continue to operate the facility is based on the ability to renew the land/roof lease, the condition of the facility and the contract status of the facility.

5. What risks and or challenges do you anticipate around being able to recontract your existing facility to supply electricity?

Contract term length and price: The ability of the facility to generate sufficient revenue to repay the cost of recontracting and potentially refurbishment, upgrade or expansion is dependent upon the contracted price and the length of the contract. Recontracting may not be an economic option if the combination of the term length and price are insufficient.

Level of effort required to secure a new contract: The new long term procurement processes that have been implemented have been complex, costly and challenging for community organizations like co-operatives to participate in. If a significant level of effort and sophistication is required to recontract the facility under the Local Generation Program, community organizations may not have sufficient resources to participate.

Lease costs: The cost of leasing real estate (roofs or land) is expected to decrease when the facility is recontracted as the revenues from the facility decrease. If the lease rate is insufficent the landlord may not wish to renew the lease agreement.

Re-roofing requirements: Many facilities have been located on rooftops for 20 years; some of these roofs may need to be repaired or replaced. In those cases, the existing facility may need to be entirely removed and replaced before recontracting, an expensive undertaking.

Refurbishments, upgrades and expansions

6. Are you planning to refurbish, upgrade or expand your facility?

We would plan to refurbish, upgrade and expand our facilitieswhere feasible.

a. If you are planning to change your facility, when would you want to do that?

We would plan to refurbish, upgrade and expand our facilities following a schedule based on location, condition of the facility, equipment type, condition of the roof, contract status, among other factors. We expect that some refurbishments could occur at the end of the existing contract, or some point thereafter.

7. Do you intend to increase your installed capacity or keep it the same as the existing capacity? Please describe why it might remain the same or change.

We would wish to increase the capacity of our systems wherever feasible. The capacities may remain similar where area is limited by the rooftop or land available. We would usually expect capacitites to increase upon repowering, even when the area does not increase, due to improvements in solar equipment efficiencies and engineering.

8. Do you know if your connection point and or local circuits could support an expansion or upgrade? Please provide details.

No we do not, and grid capacity availability at our connection point today is no guarantee that it will remain unchanged many years in the future, when relevent to this discussion.

9. What risks and or challenges do you anticipate around refurbishing / upgrading or expanding your facility?

Contract term length and price: The ability of the facilities to generate sufficient revenue to repay the cost of recontracting and potentially refurbishment, upgrade or expansion, is dependent upon the contracted price and the length of the contract. Recontracting may not be an economic option if the combination of the term length and price are insufficient.

Level of effort required to secure a new contract: The new long term procurement processes that have been implemented in past have been overly complex, costly and challenging for community organizations like co-operatives to participatein. If a significant level of effort and sophistication is required to recontract the facility under the Local Generation Program, community organizations may not have sufficient resources to participate.

Lease costs: The cost of leasing real estate (roofs or land) is would likely have to decrease (substantially in some cases) when the facility is recontracted as the revenues from the facility decrease. If the lease rate is insufficent, landlords may not wish to renew a lease agreement.

Re-roofing requirements: Many facilities have been located on rooftops for 20 years; some of these roofs may need to be repaired or replaced. In those cases, the existing facility may need to be entirely removed and replaced before recontracting.

Other Comments/Feedback

Topic: High Level Program Design	Feedback
Support Ontario ownership and control of Local Generation Program assets.	Ensuring that Ontarians own and control assets in the Local Generation Program keeps jobs and economic benefits within the province. We recommend that the IESO design the LGP to achieve as much local control and ownership of renewable energy assets as possible.
Allow co-operatives to engage in virtual net metering.	With community virtual net metering, members of co-operatives will be able to purchase electricity directly from co- operatively owned projects. In this way, the jobs and economic benefits realized by these activities are retained in Ontario and members will have some control the price of electricity from the projects that they own and control.
Make the LGP process simple and straightforward.	Organizations like co-operatives and municipalities have limited ability to participate in IESO programs like long term procurement. Simplifying the LGP will facilitate the engagement of local organizations and improve economic benefits for Ontarians.

Topic: High Level Program Design	Feedback
Provide a standard offer contracts for community organizations like co-operatives.	A standard offer contract program will help to simplify the LGP process and minimize the level of effort required to participate. The standard offer program could be limited to co-operatives and other contract capacity set-aside eligible organizations, and/or to projects less than a certain capacity. In an open bidding process, organizations may have to go through multiple rounds to successfully obtain a contract, and smaller projects will be disadvantaged compared to larger projects due to economies of scale.
Allow for longer contract terms that reflect the capital invested in the facility.	Where a facility is being recontracted without any refurbishments, upgrades or expansions, the 5 year term length proposed is reasonable. We recommend longer contract lengths (e.g. 10 years) in those cases to reduce the administrative burden on organizations having to recontract at a 5 year frequency. Where any refurbishments, upgrades or expansions are undertaken, the term length of 5 years will not be sufficient to recoup those costs. The contract term length should reflect the amount of time that is required to recoup the investment.
Allow recontracting for rooftop facilities under the LGP.	The SaveOnEnergy program does not provide sufficient support to facilitate the recontracting of facilities. Recontracting under the LGP should be available to all eligible facilities.

General Comments/Feedback

We greatly appreciate the IESO's efforts to establish the Local Generation Program. Distributed energy resources will be very important to Ontario's future energy mix and we applaud this initiative. We strongly encourage the IESO to implement supports for co-operatives and other community capacity set aside eligible organizations that will retain and distribute the economic rewards of the Local Generation Program for Ontarians.