

# Feedback Form

## Local Generation Program – June 5, 2025

### Feedback Provided by:

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Title: Asset Manager

Organization: Capstone Infrastructure Corporation

Existing contract number (if applicable): Click or tap here to enter text.

Email: [REDACTED]

Date: June 19, 2025

Following the June 5, 2025 webinar to provide an update on the Local Generation Program (LGP), 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 June 5, 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
- ☒ No – comfortable to publish to the IESO web page

**Please provide feedback by June 19, 2025 to [engagement@ieso.ca](mailto:engagement@ieso.ca).** Please use subject: *Feedback: Local Generation Program.*

## General Questions for Existing Facilities / Suppliers:

1. Have you been following the IESO Medium and Long Term Procurement engagement sessions and or been reviewing those RFPs, and contracts etc?

Yes

2. Were you aware of ERP before today's presentation?

Yes

3. Which IESO offers are you most interested in for your facilities? Why?

We are most interested in the LGP program for facilities under 10 MW, as it is intended to be a more simplified and streamlined offering. A well-designed, accessible program will allow us to efficiently reinvest in existing assets and continue delivering reliable, cost-effective power to Ontario ratepayers.

4. Do you need more information about the different IESO offers to make a decision? What information do you need?

Yes, additional clarity would be helpful—particularly regarding the specific eligibility criteria, contract structures, and evaluation timelines for each IESO offering. We would also benefit from more detailed guidance on how existing assets can transition between programs (e.g., from current PPAs to LGP) and what flexibility may be available during that transition.

5. What if any thoughts do you have around your larger (>1MW) facilities participating in the IESO electricity market?

For our larger facilities (>1 MW), the LGP offers a distinct advantage over MT2 contracts, as it allows participation without requiring the facility to become a market participant. This reduces administrative and operational complexity, making the LGP a more accessible and cost-effective option. While we remain open to market participation in the future, the structure of the LGP provides greater certainty and simplicity, which is especially valuable for existing assets.

6. What are the top 3 reasons you might be interested in an opportunity through LGP instead of the IESO's Long Term (LT) procurement, or ERP or a corporate PPA?

**1. Bankability and Financing Certainty:** The LGP offers a long-term supply agreement with the IESO as the offtaker, which significantly improves project bankability and makes financing more accessible and affordable.

**2. Portfolio Development:** The LGP provides an opportunity to develop a pipeline or portfolio of projects under a consistent framework, supporting long-term planning and scalability.

**3. Simplicity and Accessibility:** Compared to LT procurements, ERPs, or corporate PPAs, the LGP is designed to be more streamlined and accessible—particularly for smaller projects—which reduces administrative burden and accelerates project timelines.

7. What are the top 3 reasons you are considering building new electrical generating facilities to connect to the distribution (Dx) system instead of facilities to connect to the transmission (Tx) system?

We're still evaluating our options, but some of the typical considerations that may lead proponents to pursue distribution (Dx) connections over transmission (Tx) include:

1. **Lower Interconnection Costs and Timelines:** Dx-connected projects often involve less complex and less costly interconnection processes, with shorter timelines compared to Tx-connected facilities.
  2. **Site Availability and Community Integration:** Many viable sites—especially those involving repowering or co-location—are located within distribution-level service areas and are well-suited for integration with local infrastructure.
  3. **Program Design and Eligibility:** Certain procurement programs, like the LGP, are specifically targeted toward smaller-scale or distributed generation projects, which typically align better with Dx-connected facilities
8. What would be the main drivers around your decision to choose some specific location to develop a facility?

[Click or tap here to enter text.](#)

## Other Comments/Feedback

Topic: High Level Program Design	Feedback
Flexibility for Repowering wind facilities	<p><b>For wind operators, repowering with higher-capacity turbines can be done incrementally—one turbine at a time—while the rest of the facility remains operational.</b> This minimizes downtime and avoids a full plant shutdown, enabling more efficient and continuous refurbishment.</p> <p>However, existing power purchase agreements (PPAs) typically restrict generators to their contracted capacity, which limits the ability to install new turbines with higher nameplate capacities prior to the start of a new LGP contract.</p> <p><b>While this flexibility would fall under the existing PPA rather than the LGP contract itself, we strongly encourage the IESO to provide clear signals to owner-operators that it is open to working with them—potentially on a bilateral basis—to enable this type of repowering activity.</b></p> <p>Without such flexibility, operators may be forced to wait until the end of the current PPA term and then shut down the entire facility for 6 to 24 months—depending on complexity—to complete the upgrade, resulting in avoidable supply interruptions and delays in delivering enhanced system value. This approach may also work for other generation types as well.</p>

Topic: High Level Program Design	Feedback
Pathway to allow MT2 recipients to participate.	<p><b>We ask that the IESO consider providing a pathway for MT2 contract recipients to reapply under the Local Generator Program (LGP), particularly for facilities under 10 MW.</b> Under MT2, generators of this size are required to become market participants, which introduces a significant administrative burden and operational complexity—especially for smaller facilities operating under a capacity-based supply agreement.</p> <p>The LGP is better suited to these types of assets and offers a more practical and sustainable framework. At the time of the MT2 bid submission, the LGP had not yet been announced, and proponents had no alternative option available. We therefore recommend that the IESO allow MT2 recipients to reapply under the LGP using their original bid price, and—if successful—transition their security and project award into the LGP framework. In the unlikely event they are not successful under the LGP, they would retain their MT2 contract.</p> <p>This approach would improve alignment between project characteristics and program structure, support better outcomes for smaller generators, and demonstrate flexibility on the part of the IESO in light of evolving program design.</p>
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## General Comments/Feedback

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