

Feedback Form

Long Lead-Time RFP – June 5, 2025

Feedback Provided by:

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Date: June 17, 2025

To promote transparency, feedback submitted will be posted on the LLT RFP engagement page unless otherwise requested by the sender.

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Yes – there is confidential information, do not post

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No – comfortable to publish to the IESO web page

Following the LLT RFP June 5, 2025, engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the items discussed. The presentation and recording can be accessed from the [LLT engagement web page](#).

Note: The IESO will accept additional materials where it may be required to support your rationale provided below. When sending additional materials please indicate if they are confidential.

Please submit feedback to engagement@ieso.ca by June 17, 2025.

Resource Eligibility and Rated Criteria

Hydro Resources - Redevelopments

Do you have any information to share in support of expanding eligibility to include hydro redevelopments, expansions or upgrades?

LDES Resources

Do you have any comments on the eligibility of LDES technologies?

We encourage stakeholders to submit recommendations on any other LDES technologies that you believe should be eligible along with supporting documentation (a) outlining why the suggested technology requires a long lead-time for development, and (b) demonstrating that it can operate reliably over the term of the LLT contract.

Storage Duration & Rated Criteria

Do you have any comments or information to share regarding storage duration or rated criteria that the IESO should consider when evaluating projects under the LLT RFP?

Yes, Bedrock is supportive of and satisfied with the IESO's minimum duration requirement of 8 hours. We go further and encourage the IESO's plan to allow for a greater and more flexible range of 8-12 hours. That an LLT/LDES project can provide VAR support and blackstart ancillary services and emergency power for residential and farm customers ought to be a serious consideration as necessary insurance for grid support in the event of catastrophic weather events and unplanned TX outages.

With regards to rated criteria, the LLT RFP should be geared to recognize the fundamentally different scenarios than those which present in LT2. These LLT/LDES resources are clearly unique. They are eligible for LLT in part because they are essentially, highly location-specific; they cannot 'relocate', such as a battery project, to a different location to suit an RFP-rated criteria.

For example, a pumped hydro project must develop and utilize the necessary elevational topographical resources available in a specific location. A CAES project in porous rock such as Bedrock's, makes special use of Ontario's rare geological Lockport formation resources. These naturally occurring subsurface Silurian pinnacle reefs act as substantial rock reservoirs 500 meters below the earth's surface, formed and pressurized with methane 450 million years ago). These projects depend on locating their generation facilities in close proximity to the rock reservoirs and nearby HV grid connections. There should be no type of penalty for an LLT project location, which should be a strong, positive consideration for this procurement.

RFP Design Considerations

Proposal & Completion and Performance Security

Do you have comments on the proposed approach and security amounts?

We acknowledge and appreciate the work the IESO has undertaken to date to examine the best path forward with regard to the proposal security for the LLT RFP. Bedrock agrees with the fundamental principles of bid security, which is that any potential supplier which is to be taken seriously to supply the IESO and contract long term, must post some sufficient level of security to ensure delivery. With the latest information provided on June 5, 2025, we feel it is moving in the right direction with the \$20,000/MW at the time of proposal submission, with a maximum of \$15 million. The planned increase at a defined milestone during the pre-COD period – but post-financial close for the project - is a logical step (currently planned at \$35,000/MW).

The principal reason for adopting this approach is that smaller entities, which are fortunate to own/develop these valuable specific resources but may be somewhat cash-constrained during the bidding timeframe, should be allowed to compete and complete the procurement process (i.e. win a bid), *then* solidify a large financial partner, if necessary, at which time the increased security will be comfortably posted by that larger partner.

Interdependent Hydro Facilities (Energy Only)

Do you have any comments or additional information to share with the IESO?

Specific project details may be shared in a separate document. Please include the following: list of individual facilities, including the capacity of each (in MW), that are looking to be considered under a single proposal, proposed project location/related river systems; and any other information you think would be helpful

Deliverability

Do you have any information to share to support the IESO in determining the approach to offering a project specific consultation (or assessment)? Specifically, the IESO is interested in better understanding what information proponents require, and when this is needed, prior to submitting a proposal.

Long-Term Outages

Do you have any comments on the proposed approach to allowing suppliers to take one long-term outage for major maintenance activities during the contract term?

Specific details may also be shared in a separate document outlining the following: the nature of the work required as part of the long-term outage; the maximum duration of the outage (e.g., 6 months); and when the outage is expected to occur over the course of the contract term (e.g., year 20).

Contract Price Escalation

Do you have feedback for the IESO to consider when establishing the contract price escalation for contracted long lead time resources?

General Comments/Feedback

Please include any other feedback that you think may be relevant to inform the IESO's report back to the Minister of Energy and Mines.

Bedrock would like to understand the IESO's plan for when the LLT RFP will be announced and initiated. As stated in the June 5, 2025, engagement webinar and presentation, "the IESO will release deliverability guidance for the LLT RFP following the issuance of contracts under the LT2 RFP (window 1)". This would seem to result in the LLT RFP being delayed and being announced at an unknown date, with the earliest possible RFP launch period of Q3 of 2026. A major reason for raising the timing issue is that as employees and shareholders who have now been on this project for eight years, the uncertainty is frustrating and hard to manage, especially for future investors, while we believe this project is very much needed, is well located and is cost-effective.

The problem we query is that the IESO will be well into the procurement and deliverability planning of LT2 Window 2. Will the LLT RFP fit in between Window 1 and 2? Will the IESO need to again wait to announce Window 2 contracts and update the deliverability guidance document? We do not understand the thinking or planning of the timing for LLT RFP. Our concern is, if the IESO and the Ministry of Energy and Mines have indicated and asked for the LLT RFP, why then does the announcement continue to move, and the RFP continue to be pushed further, now well into 2026. We and our investors would appreciate the thought process and planning outlook that is in place by the IESO.

For feedback on the proposed contracting form, please reference Bedrock Energy Corp's letter dated May 9, 2025 (reattached). This feedback remains current and Bedrock's stance on the contract type that is best suited for this procurement and ultimately for the decades of operations, akin to aspects of long-term contracts for multi-decade hydraulic and nuclear developments. We also have this additional feedback to add. Regulators are starting to get on board with a variation on a rate-regulated contract.

If the IESO wants to ensure that there are no outsized gains by the developer, the incentivized, adjustable rate-regulated contract is *the* way to go. Consider what just happened in the UK.

SUMMARY: Ofgem (The UK's electricity regulator) has just launched a cap and floor parameter plan to boost investment in Long Duration Electricity Storage (LDES). The framework features a minimum 20 to 25-year term* and guarantees a minimum revenue (floor) to support project financing and sets a maximum (cap) to protect consumers. Eligible projects must offer over eight hours of storage.

REFERENCE: <https://www.solarpowerportal.co.uk/ofgem-launches-cap-and-floor-scheme-to-support-long-duration-energy-storage-investment/>

In Ontario, we are prudently looking at a minimum of a 40-year term for LLT and LDES resources. This term length could be more depending on the LLT facility as the longer the term, the more the potential for the amortization and lower costs to electricity users. The OEB has direct and extensive experience (as the IESO knows) with long-term cost-of-service asset rate regulation, which often includes features of adjustment and incentivization. Terms for long-term power deals for long-term assets such as nuclear and large capital-intensive generation facilities are book-ended to protect the

asset operations in the context of delivering regulatory and investor certainty of returns for prudent asset management. Properly established and monitored, cost of service contracts are in the public interest when ratepayers obtain and preserve value, while not being subjected to rate shock, while shareholders are assured of continuity and stability of their investments in these needed assets.

** [needs to be 40 years + for the Pumped storage and CAES type projects to keep the annual and amortization costs down]*