



January 15, 2024

Chuck Farmer  
Vice President, Planning, Conservation and Resource Adequacy  
Independent Electricity System Operator  
1600-120 Adelaide Street West  
Toronto, ON M5H 1T1

**Subject: IESO LT2 Submission**

Dear Mr. Farmer,

Boralex appreciates the opportunity to submit comments to the Independent Electricity System Operator's (IESO) Long-term 2 Request for Proposals (LT2 RFP). In addition to our comments, Boralex has reviewed the submissions made by CanREA and Power Advisory's Consortium and generally support the issues and recommendations they outlined in their feedback.

**Revenue Model**

Although well intended, this policy introduces considerable uncertainty for proponents, and allocating risk outside of the control of proponents, potentially deterring investments and leading to increased costs for Ontario ratepayers.

Boralex agrees with submissions from CanREA and Power Advisory's Consortium, which provide detailed concerns with the proposed revenue model. Boralex suggests the IESO adopt a Purchase Power Agreement (PPA) with a fixed price, indexed for inflation, and decoupled from market outcomes, to provide the necessary certainty for LT2 proposals. A fixed price PPA is better to ensure healthy competition, reliability of supply and cost control for ratepayers. What is currently being proposed by IESO poses risks and uncertainty outside of proponents control. Boralex has seen issues with this type of Enhanced PPA revenue model in markets we operate in, like New York, where few projects are being built. In comparison to other markets, we operate in, like Ontario and Quebec, we are seeing significant renewable generation buildout and low attrition.

**Deliverability**

Boralex urges the IESO to make an Ontario system map, featuring red zones and/or green prioritized areas, publicly available by March 2024. This transparency is essential for project proponents to initiate development work within the bidding timeline. This approach has been successfully adopted by other regions, such as Quebec.

If the first request was granted this request may not be needed and, although Boralex recognizes the effort required for the IESO to maintain Transmission Availability Test (TAT) and Deliverability Test (DAT) data is not feasible, we would like to stress the usefulness of the information provided in the TAT/DAT tables during site selection. If the IESO is able to provide something similar or provide access to internal load and capacity models for the Ontario grid system, it would be beneficial.

It is crucial to note that altering deliverability assumptions and/or location preferences at a later stage in the process poses a risk of stranded investments, particularly for wind facilities. Preliminary activities like installing meteorological towers and conducting environmental screening incur substantial costs for proponents before the bidding phase.

### **Bid Variants**

One bid aspect for the LT2 RFP that Boralex would like to see included is the ability to bid variants. Allowing proponents, the option to bid different prices and project size for the same proposal within a single submission. Having this option will help decrease the volume of submissions, saving time for both the IESO and proponents, as proponents would not have to submit multiple submissions for the same project.

### **Permitting**

There is a potential risk to be flagged with the cadenced LT and MT RFPs and permitting standards set out by the Government of Ontario. While permitting is handled by various ministries of the Government of Ontario, it is important to coordinate with relevant ministries to ensure they have adequate resources, knowledge and capacity for upcoming proposals. Any potential delays in permitting due to capacity issues in the ministries could result in proponents being unable to meet the deadlines set out by IESO, through no fault of their own.

The existing permitting process and current policies are also unclear and will be difficult for proponents to navigate, potentially resulting in another delay risk. Ensuring that the Government of Ontario has clearly defined permitting processes and policy clarity going into the LT and MT RFPs will help proponents meet their deadlines.

### **Consultation**

Finally, municipalities play a key role in the development and operation of energy projects, as shown in the IESO's RFP process where municipal support resolutions are required. It's important that municipalities feel that they are well informed on the RFP process and understand the energy projects that will be constructed in their communities. Early consultation, training, and information from IESO will help leaders in their communities feel

confident in making decisions on project proposals. This will also help on the topic of agricultural land-use planning. We believe the decisions surrounding this should be left to the municipalities and no additional limitations from the IESO be introduced. If municipalities are equipped with information on energy projects and agricultural land-use best practices, they will be able to make decisions that best fit in their communities, and their strategic long-term plans.

Thank you for reviewing our submission. We are available to discuss any of our feedback with IESO and look forward to participating in the upcoming LT2 RFP.

Best regards,

**Darren Suarez**

Vice President Public Affairs and Communications, North America  
Vice-President Affairs Publiques et Communications, Amérique du Nord

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