

Feedback Form

Long-Term 2 (LT2) RFP – February 15, 2024

Feedback Provided by:

Name: SARDAR AZEEM

Title: CONSULTANT

Organization: SMAK ASSOCIATES

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To promote transparency, feedback submitted will be posted on the Long-Term RFP engagement page unless otherwise requested by the sender. If you wish to provide confidential feedback, please mark "Confidential".

Following the LT2 RFP February 1, 2024, engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on specific 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 by February 15, 2024.

Revenue Model

Topic	Feedback
<p>Do you have any additional comments regarding the revenue model, particularly with regards to the following: Deeming energy market revenues based on real-time locational marginal prices (LMP), as opposed to the IESO’s recommendation of basing this on the day-ahead LMP. (Slides 19-21)</p> <ul style="list-style-type: none"> • The optionality of using either a simple average day-ahead price or weighted average LMP, with the latter including hours where the resource was scheduled day-ahead in a given month. (Slides 22-23) • Including monthly production factors that on average equate to the annual production factor, in order to further account for seasonality. (Slides 24-26) 	<p>Considering the vulnerabilities involved in Wind Power Generation, RT LMP appears more feasible instead of DA LMP. This entails better margins and levelized revenues for the project sponsors besides catering seasonal variations.</p> <p>Optionality of using either of simple or weighted average (WA) may not be available in case of RT LMP.</p> <p>Since RT LMP appears preferred basis, therefore, DA LMP and application of either of simple or WA LMP discussion is of no yield.</p>

DERs

Topic	Feedback
<p>Do you have any comments regarding eligibility requirements for DERs of other general comments?</p>	

Capacity Resources

Topic	Feedback
Do you have any comments regarding considerations for acquiring additional capacity resources, and utilizing a multi-stream approach (energy and capacity streams)?	To attract incremental capacity there appears a need to rationalize the two tier tariff regime i.e. fixed/ capacity and variable/energy component. Likewise to make the project attractive, flexible approach by employing RT LMP appears more workable.

LT2 Deliverability

Topic	Feedback
Do you have any comments on early deliverability data and evaluation stage deliverability?	

Repowering

Topic	Feedback
Do you have any comments around repowering participation?	Repowering has direct nexus with Enhanced PPA, therefore the aspect of consolidating small generation capabilities +/- 1MW i.e. merging small producers and augmenting the same with latest technology options may also be seen, which prima facie is likely to reduce CAPEX.

Long Lead-Time Resources

Topic	Feedback
Do you have any comments on enabling long-lead time resources?	Since IESO is only considering Hydro and Long Duration Storage resources, there question of considering wind/solar as long-lead time resources does not arise.

General Comments/Feedback