

# Feedback Form

## Long-Term 2 (LT2) RFP – May 23, 2024

### Feedback Provided by:

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Date: June 7, 2024

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 May 23, 2024, engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the 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](mailto:engagement@ieso.ca) by June 7, 2024.**

## LT2 RFP Energy + Capacity Streams

Topic	Feedback
Do you have any questions or comments regarding the clarifications the IESO provided regarding the targets, timing, eligibility or other details of the LT2 RFP Energy and Capacity streams?	See General Comments / Feedback below

## Long-Lead Time Resources Procurement

Topic	Feedback
Do you have any questions or comments regarding the clarifications the IESO provided regarding the targets, timing, eligibility or other details of the Long Lead Time Resources Procurement?	No comments

## MT2 RFP

Topic	Feedback
Do you have any questions or comments regarding the clarifications the IESO provided regarding the targets, timing, eligibility or other details of the MT2 RFP?	See General Comments / Feedback below

## LT2 RFP Preliminary Connection Guidance Follow-Up

Topic	Feedback
Do you have recommendations for; addressing the previous feedback received; version 2 of the Guidance Document; and most specifically on the LT2 RFP capacity stream delivery approach the IESO is proposing.	See General Comments / Feedback below

## E-PPA Revenue Model and E-PPA Energy Market Settlement Examples

Topic	Feedback
Do you have any questions or comments regarding the modified, “protected” version of the Enhanced Power Purchase Agreement (E-PPA) that the IESO has proposed?	See General Comments / Feedback below

### General Comments / Feedback

#### **E-PPA Revenue Model**

CanREA would like to thank the IESO for recognizing day-ahead (DA) to real-time (RT) settlement risk, driven primarily by (1) IESO centralized forecast uncertainty and (2) the absence of historical pricing data between the DA and RT markets in Ontario.

We would like to thank the IESO for proposing a solution to share some DA to RT settlement risk with proponents via the proposed Protected E-PPA model.

CanREA and its members are generally supportive of the Protected E-PPA model, as an opt-in option that proponents may select in their proposal.

CanREA and its members **do not** support the notion of the IESO awarding rated criteria points to those proposals which do not select the Protected E-PPA or other incentive mechanisms.

With respect to the percentage of the DAM settlement the IESO would protect, we submit that 85% is reasonable and appropriate, given the uncertainties and risks associated with DA to RT settlement.

#### **LT2 RFP Preliminary Connection Guidance**

CanREA and its members would like to thank the IESO for publishing preliminary connection guidance and committing to providing revised guidance, which incorporates the results of the LT1 RFP, by June 10, 2024.

Overall, in order to enable investment in project development to maximize participation and bid efficiencies in LT2, it is essential that proponents have a way to confirm whether the proposed project type and size is deliverable at the location proposed. Currently, despite the information released by the IESO, proponents have no ability to confirm this essential detail and are still left guessing on deliverability. The IESO must include a mechanism, whether through more detailed line-specific and zonal maps, through detailed, project-specific one-on-one meetings, through a deliverability test or other mechanism, to enable companies to confirm this information with certainty.

We would like to commend the IESO for committing to provide proponents with a high-resolution, detailed station and circuit map in a timely manner, via secure method. This information is critical for proponents to be capable of using the connection guidance document in order to develop and deliver optimally sited, competitive projects.

We continue to strongly urge the IESO to provide as much detailed connection and deliverability information as possible, to provide proponents with as much deliverability certainty as possible for their proposed projects, well in advance of the LT2 RFP bid deadline.

CanREA continues to recommend that the IESO offer a deliverability test / feasibility study / pre-assessment service well in advance of the LT2 bid deadline. This will provide proponents with project-specific information, including whether the project is deliverable, whether network upgrades may be needed, and what a non-binding interconnection cost estimate would be. This will provide proponents with more certainty regarding interconnection risk and cost, and will ultimately result in more efficient and effective project proposals. Critical to the effectiveness of this service will be clear, consistent and expeditious service turnaround commitments. CanREA encourages the IESO and Hydro One to begin coordinating and planning for this now, if not already underway, so that the IESO or its designated third-party expert service provider can efficiently provide this service to proponents well before bids are due.

CanREA and its members remain concerned that the current guidance provided of 1 IBR resource (~30MW max) connected to 115kV circuits and 1 IBR resource (~100-150MW max) connected to 230kV circuits are very low quantities and will not benefit from **economies of scale tied to larger projects**. It is currently unclear to what extent proponents can propose projects larger than the above guidance limitations. We request further clarity from the IESO on this matter.

Larger project sizes (e.g. 200MW+ wind; 50MW+ solar) are already the norm given enhancements to technologies. In today's market and high global demand, it is sometimes a challenge (and certainly more expensive) to secure products from our supply chain for small-scale endeavours. We urge the IESO and Hydro One to seek technical solutions to increase the size of projects that can connect to 115kV and 230kV circuits and communicate any increases with the sector as soon as possible. These larger projects will also require additional clarity on connection viability.

CanREA submits that the IESO may also consider allowing two circuit connections per project, to enable larger sized projects.

### **Resource Eligibility**

CanREA recommends that aggregated DERs and DERs <1MW be eligible to participate in the LT2 RFP. This would enable local and targeted DER resources to participate in this competitive procurement.

CanREA continues to support the opportunity for repowered/refurbished resources to be eligible to participate in the LT2 RFP, as long as they can meet all obligations in the LT2 contract.

### **MT2 RFP**

CanREA supports IESO's proposal to accelerate the timeline of the MT2 RFP to be run in advance of the LT2 RFP. CanREA continues to support the notion of providing existing asset owners with the opportunity to continue operations via the MT2 RFP, or if they so desire, seek repowering opportunities via the LT2 RFP. For facilities coming off contract in 2026, CanREA recommends that the IESO execute bilateral contract extensions with each facility as soon as possible, as the owners of these facilities need to make investment decisions on these assets as soon as possible.