

# 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
<p>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?</p>	<p>As met mast permits are still taking time to process at MNRF, especially for some northern sites, we would recommend considering pushing the bid submission due date for the energy stream back slightly to October 2025. This would facilitate gathering at least 12 months of data and help to keep bid prices lower by avoiding the need to estimate any data gaps.</p> <p>The IESO indicated that long duration energy storage (LDES) with a short lead time to deploy would be encouraged to participate in the LT2 capacity stream through incentives for longer duration assets (&gt;4 hours). We have some concern that this would not be sufficient to drive short lead time LDES to compete, as the other terms of the LT2 capacity stream, such as the 20-year contract term, challenge the economics of longer duration technologies. Short lead time technologies with long duration (10+ hours) are becoming increasingly available to the market and are a valuable grid resource but still have higher capex than lithium-ion batteries. We encourage the IESO to conduct further consultation with industry on how these types of assets could be best incentivized so that they can fairly compete and help meet Ontario's demand.</p>

## Long-Lead Time Resources Procurement

Topic	Feedback
<p>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?</p>	<p>Please confirm if only “long lead time” LDES will be eligible and how that is to be defined.</p>

## 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?	No comments.

## 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.	<p>Thank you for the steps being taken to share this important information with industry. We support the IESO in creating a map that will show the line names and capacities and understand if there are some security precautions.</p> <p>We would like to see more granularity on the injection capacity in the lines. It is difficult to make a 30MW project size work while plugging into a 115kV.</p> <p>We would also like to understand if there is an ability to connect into the 500kV system and what those upgrades or extra requirements might look like.</p>

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

Topic	Feedback
<p>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?</p>	<p>We thank the IESO for recognizing the significant DART settlement risk for proponents and proposing a model to balance this. We support providing the Protected E-PPA as an opt-in option for proponents but do not support it affecting a proposal’s rated criteria as the model addresses real &amp; significant downside risk for projects. Reducing a project’s rated criteria for selecting the Protected E-PPA may encourage proponents not to select it and lead to non-viable projects being awarded contracts.</p> <p>We would also suggest the IESO consider limiting the absolute risk. This could look like a tiered system where the IESO takes a larger percentage of the loss as it increases due to circumstances outside of the owner’s control.</p> <p>The IESO noted that the Protected E-PPA will only be available for LT2 since more historical data will be available in future RFPs. We recommend that for suppliers who select this model, it should remain in place for the length of the contract term as that reflects the calculations on which bids will be made.</p>

### General Comments/Feedback

Thank you for continuing to work closely with stakeholders on these procurements to ensure that the best projects can be developed to meet Ontario’s needs.