

Feedback Form

Long-Term 2 (LT2) RFP – May 23, 2024

Feedback Provided by:

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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 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 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>NRStor is pleased to hear the announcement from the IESO introducing the capacity stream in LT2. We understand the significant impact price has on the procurement outcomes as the IESO is the steward of the Ontario electricity system and must ensure rate payers maximize their investments in the system. The IESO demonstrated this with the successful procurement of over 1700 MW of energy storage in the LT1 process, resulting in a very competitive weighted average bid price. This will add significant value to the IESO, rate payers and the industry at large.</p> <p>Our questions are more specifically about evaluation criteria. In line with ensuring the best possible price is secured for storage resources, there may be room in future evaluation processes to consider the following:</p> <ul style="list-style-type: none">• Technology criteria and project assumptions to assess deliverability. For example, developing minimum technology parameters may help ensure best in class energy storage technologies are selected at project implementation.• Locational scoring evaluation criteria such as locational adders/bonuses/incentives for regions of high-capacity needs (e.g., with projected significant growth in load) as well as where construction costs are expected to be particularly high due to the specifics of a certain location (e.g., high congestion areas resulting in increased capital costs).<ul style="list-style-type: none">○ Locations where the local and regional peaks are coincident with bulk system needs would be of further benefit to ratepayers for the IESO to incentivize. A project that would be sited in such locations could be incentivized such that it may reap the benefits of providing grid services while simultaneously maximizing the utilization of the existing distribution and transmission infrastructure.○ Locational marginal pricing would be instructive in helping developers evaluate the potential value of siting in certain regions of greater need. <p>NRStor would be happy to advise the IESO to provide more details and discuss further.</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>NRStor welcomes the Long-Lead Time Resources (LLTR) stream in LT2 and is encouraged by the IESO’s openness to exploring new long-duration energy storage (LDES) technologies under a 40-year contract duration. It would be good to understand if the proposal submission period under the LLTR stream will be extended past the LT2 capacity stream deadline? Further due diligence is required for the LLTR due to the relative novelty of LDES technologies.</p> <p>The evaluation of the projects should consider the different operating parameters for LLTR/LDES that might be different from BESS projects from past procurement. For example, performance criteria such as round-trip efficiency, ramp times, and start up times may differ from recent experience with Lithium type batteries.</p> <p>Additionally, technologies that exceed the minimum duration should either be incentivized to do so, whether that is through bonus points per additional hour provided, or through comparing projects on a levelized price of energy (per kWh) basis to allow for ease of comparing technologies of varying durations, or a combination thereof. The IESO should also consider a “capacity payment adder” for capacity amounts with durations in excess of the minimum contractual 8-hour duration. For example, if a LDES technology can offer 12 hours of duration, the additional 4 hours should qualify for a “capacity payment adder”.</p> <p>NRStor would be happy to advise the IESO to provide more details and discuss further.</p>

MT2 RFP

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 MT2 RFP?</p>	<p>N/A</p>

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.	NRStor echoes many of the comments submitted previously on the preliminary connection guidance for LT2. For the LT2 capacity stream there is a need to provide specific locational data to developers to support project siting especially considering that deliverability testing will take place post-bid submission and after price is evaluated. The price may not reflect needed system upgrades or benefits if accurate data including maps are not shared with developers as early as possible. If there are concerns around data sharing, could the IESO have developers sign confidentiality agreements to access data rooms with transmission and distributions maps and other data?

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?	N/A

General Comments/Feedback

NRStor appreciates the comprehensive engagement by the IESO in designing LT2 and including two new capacity streams. It is exciting to see the IESO launch the procurement of Long-Duration Energy Storage in Ontario, a first for Canada. NRStor is an industry-leading Canadian energy storage developer, owner and operator with experience deploying energy storage across the energy supply chain. NRStor's vision is to deploy energy storage projects at scale in order to accelerate the transition to a low-carbon energy system. NRStor has successfully deployed numerous first-of-a-kind energy storage projects across Canada. This includes a 250 MW/1000 MWh Battery Energy Storage Project in Ontario in partnership with Six Nations of the Grand River Development Corporation, Aecon and Northland Power. NRStor develops projects in partnership with Indigenous communities to maximize value creation with a triple bottom line approach. This ensures support and acceleration into Ontario's transition to clean energy and offers a pathway toward meaningful economic

reconciliation. NRStor values the importance of having Indigenous participation as equity contributors and owners in projects wherever possible.

NRStor appreciates the intention set by the IESO in LT1 to incentivize and prioritize projects with meaningful Indigenous participation. While many Indigenous nations and representing economic development vehicles, are making significant progress in participating in large-scale infrastructure projects, there are still many barriers for such participation, which typically yields higher financing costs. It is important that should the IESO continue to commit towards economic reconciliation, and maintain the intention to have significant Indigenous participation in future procurements, that there is careful analysis to determine whether the points that are awarded compensate for the generally higher financing costs of projects with higher Indigenous participation.

Additionally, while the intentions of the high bid securities is to ensure proponents are serious about their submissions, this acts as a barrier for projects with higher Indigenous participation. The IESO should consider an equity-based adjustment to the magnitude and/or timing of the payment(s) of the bid securities with projects that have higher Indigenous participation.