

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 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>It remains unclear how for the long lead time assets (waterpower and Long Duration Energy Storage) proposals would be evaluated across technologies. Moreover, waterpower can provide both capacity and energy so alternate streams may not adequately value this attribute. We note also that IESO is now proposing to add a BESS capacity stream to the LT2 facilities to be in service by 2030/31. If this is the case, the same approach proposed (though unclear) to assess project proposals across energy and capacity streams would have to be implemented (i.e. wind, solar, BESS) to treat the long and short duration procurements equitably. Finally, as the OWA has consistently recommended, incremental capacity or energy from existing facilities should be able to participate in LT2 but the legacy asset should be contracted through either SHP or NHP.</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 see above re assessment across capacity and energy streams as well as the need to value both capacity and energy for waterpower. The OWA recommends that separate targets be established for waterpower and LDES. We also note that the MNRF process for Crown land access and requirements post-contract remain opaque. Virtually all new greenfield waterpower will require access to Crown land. Much more certainty is required. In addition, the IESO had previously indicated that it was considering some form of price indexation between contract execution and COD, yet no additional information or recommendations have been provided to stakeholders for feedback. This is of particular importance for long lead time resources. OWA supports no inclusion of a deliverability assessment for long lead resource procurement. Given the term length and in-service date target, OWA recommends launching the procurement sooner than later so there is ample time to address complexities and challenges of project development.</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 comment

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.	OWA believes the IESO should be working to allow proponents to make investments in the Ontario electricity system to allow their project to connect, particularly given the scale and scope of investment required. The IESO should develop a specific process for proponents to receive a standard feasibility study to help guide development, including understanding what the limit is for capacity of new projects that would not trigger major bulk system upgrades. Finally, one consideration for the Future Clean Electricity Fund was the potential partial recovery of certain predevelopment costs. While we appreciate that the IESO's report back remains with government for decisions, it would be helpful to advance decisions in advance of the LT2 final RFP.

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?	Please clarify that the "protections" proposed for intermittent resources will not impact the mechanism for comparisons in bid price derivations with respect to capacity factor.

General Comments/Feedback