

# Feedback Form

## Long-Term 2 RFP – July 4, 2024

### Feedback Provided by:

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Date: July 19, 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 July 4, 2024, engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the items discussed. The presentation and recording can be accessed from the LT RFP [engagement web page](#).

**Please submit feedback to [engagement@ieso.ca](mailto:engagement@ieso.ca) by July 19, 2024.**

## MT2 RFP

Topic	Feedback
Do you have any feedback regarding resource eligibility under the MT2 RFP?	CanREA generally supports the proposed resource eligibility requirements, including the eligibility of facilities with contracts ending on or before April 30, 2029.
Do you have any feedback regarding the IESO's proposed method of determining the procurement target for the MT2 RFP?	<p>CanREA recommends that the IESO should aim to reacquire <b>all</b> non-emitting existing resources coming off contract between 2026-2029, to support continued system reliability and economic growth.</p> <p>We understand and acknowledge that the IESO's proposed method of determining the procurement target (80% of total MW of proposals submitted) is intended to encourage competitive proposal prices.</p> <p>We also understand and acknowledge that that IESO is proposing to include flexible provisions to award contracts beyond the procurement target, provided the prices are within a set percentage threshold of the marginal successful bid.</p> <p>Notwithstanding the IESO's proposals above, we encourage the IESO to pursue reacquisition methods and flexible options to enable the re-contracting of <b>all</b> non-emitting existing resources in a cost-effective manner.</p>
Do you have any feedback regarding the contract structure or term length under the MT2 RFP?	<p>Regarding the MT2 Energy Stream contract structure, CanREA and its members submit that this item needs to be considered in the totality of the draft MT2 agreement and RFP. We request that the IESO keep this item 'open' and further engage with stakeholders on this item as part of the review of the draft agreement and RFP document.</p> <p>In addition, we would like to seek clarity from the IESO regarding whether the IESO intends to utilize its proposed 'Protected' E-PPA revenue model from the LT2 Energy Stream for the MT2 Energy Stream contract.</p>

Topic	Feedback
Do you have any feedback regarding capacity qualification for the MT2 RFP?	<p>CanREA and its members would appreciate more detailed information on how the IESO proposes to undertake this qualification process.</p> <p>We note that historical performance may not always be a suitable representation of performance of an asset whose life is extended. The IESO may consider providing proponents with flexibility to adjust the production factor and capacity of their assets that qualify for the MT2 RFP.</p>
Do you have any feedback regarding proposal submission fees and proposal security requirements for the MT2 RFP?	<p>No comments regarding the proposed registration fee of \$500.</p> <p>Regarding the proposed submission fee of \$3,000 to \$10,000 and the proposed security amount of \$10,000/MW to a maximum of \$2,000,000, CanREA recommends that these amounts be significantly reduced, considering that the MT2 RFP will straightforwardly re-contract existing resources with expiring contracts. Fees and proposal security amounts should be greatly reduced to reflect that this is a reacquisition RFP process, which is more streamlined and straightforward than a new-build RFP process.</p>
Do you have any feedback to share regarding the IESO's proposed method of proposal evaluation under the MT2 RFP	<p>We support the IESO's proposal to award no rated criteria points in the MT2 RFP and to rank proposals based on their Proposal Price only.</p> <p>CanREA and its members submit that municipal support confirmations should not be required under this expedited MT2 RFP.</p>

## LT2 RFP Capacity Stream

Topic	Feedback
Do you have any feedback to share regarding the capacity stream under the LT2 RFP?	<p>The IESO indicated during the webinar that it was considering abandoning the materials cost indexing adjustment in LT2 which were features of the E-LT1 and LT1 procurements. CanREA and its members would like to know why the IESO is considering abandoning the materials cost indexing adjustment.</p>

## LT2 RFP Proposal Evaluation

Topic	Feedback
Do you have any feedback to share regarding the IESO's proposed method of proposal evaluation under the LT2 RFP?	<p>CanREA does not have any specific feedback regarding the IESO's proposed method of proposal evaluation at this time.</p> <p>CanREA and its members would like to request detailed information regarding how the IESO proposes to perform deliverability assessments under the LT2 RFP. Additional comments regarding deliverability and connection guidance are included in the General Comments / Feedback section below.</p> <p>For both the LT2 Energy and Capacity streams, CanREA would like to seek clarity from the IESO on whether suppliers will retain all revenue opportunities associated with the Environmental Attributes in relation to their facilities.</p> <p>Regarding the LT2 RFP contract, the IESO may consider incorporating a mechanism to adjust monthly production factors over the duration of the contract, to account for potential asset degradation due to increasing severity of weather over the life of the contract.</p>

## LT2 RFP Proposal Security

Topic	Feedback
Do you have any feedback to share regarding the proposal security requirements under the LT2 RFP?	<p>CanREA and its members submit that the proposed minimum security of \$500,000 per proposal is excessive and should be removed. We submit that a dollar amount per MW of nameplate capacity would be sufficient and would result in more reasonable proposal security amounts for smaller-sized projects.</p> <p>In addition, we would like to request more information from the IESO regarding under what circumstances the IESO would refund the proposal security.</p>

## General Comments/Feedback

## **LT2 Connection Guidance and Deliverability**

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.

CanREA continues 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 bid deadline.

We continue 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 (e.g. BC Hydro has a two-month turnaround commitment for this; costs are covered by proponents). 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.