

Feedback Form

Long-Term 2 RFP – July 4, 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 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 by July 19, 2024.

MT2 RFP

Topic	Feedback
Do you have any feedback regarding resource eligibility under the MT2 RFP?	No comment
Do you have any feedback regarding the IESO's proposed method of determining the procurement target for the MT2 RFP?	While not directly relevant to waterpower, as was noted by a number of participants, with the significance of Ontario's need for new supply (and the assumption that all existing facilities will continue to operate), establishing a cap of 80% (acknowledging some flexibility) seems counterintuitive. In essence, steel already in the ground would have to be replaced by new construction.
Do you have any feedback regarding the contract structure or term length under the MT2 RFP?	No comment
Do you have any feedback regarding capacity qualification for the MT2 RFP?	No comment
Do you have any feedback regarding proposal submission fees and proposal security requirements for the MT2 RFP?	We note that the Proposal Security is in the amount of \$10,000/MW subject to a maximum of \$2,000,000 and recommend that the same approach be taken to LT2 Proposal Security.
Do you have any feedback to share regarding the IESO's proposed method of proposal evaluation under the MT2 RFP	IESO indicated that it is still awaiting a policy decision from government on the requirement for a Municipal Support Resolution.

LT2 RFP Capacity Stream

Topic	Feedback
Do you have any feedback to share regarding the capacity stream under the LT2 RFP?	The IESO clarified at the session that it is not considering "bifurcation" of the LT2 capacity stream, but that it will assess capacity projects against capacity projects and energy projects against energy projects. This same approach must be taken to proposals submitted within the Long Lead Time stream of LT2.

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?	IESO needs to provide examples of how all factors included in the evaluation of proposals (e.g. Indigenous equity ownership, production factors etc.) would produce outcomes (i.e. updated slide 39). IESO should provide clarity on the question of production factor reduction over the course of a contract due to equipment wear and tear (i.e. should proponents base their expected monthly production factors on that expected at project commissioning or at contract expiration?)

LT2 RFP Proposal Security

Topic	Feedback
Do you have any feedback to share regarding the proposal security requirements under the LT2 RFP?	Proposal security requirements should mirror those for MT2. There should be no "minimum" as this disproportionately negatively affects smaller projects (e.g. <10MW)

General Comments/Feedback

Thank you for the opportunity to contribute. There were a number of issues raised by participants to which the IESO's response was that there are still design elements to be developed. We strongly recommend that stakeholder engagement on these issues not be left to the draft RFP stage of the process. A key consideration that has not been discussed to date is indexation of price to inflation, both during the period between contract execution and Commercial Operation and through the term of the contract. This is of particular importance for long lead time long lifespan assets, the proponents of which will be expected to provide a bid price in 2025 for equipment that will not be ordered until 2030-2032 with an in-service date of 2035 under a contract to 2075. We strongly encourage the IESO to include this topic in the forthcoming Long Lead Time engagement.

Finally, it is strongly suggested that the IESO provide clarity in defining a fair and objective proposal evaluation process. Specifically, the IESO is requested to provide an explanation of how the procurement process will ensure competitive balance for 100% Municipally owned proponents and/or 100% Indigenous owned proponents or combination thereof. Presently, the Federal Government's Clean Technology Tax credit of 30% is not available to projects which are 100% Municipal or Indigenous owned. While it would not be appropriate for 100% Municipal or Indigenous owned projects to be afforded an advantage over private/public equity proponents, it is certainly inappropriate to construct a process where 100% Municipal or Indigenous owned projects are at a financial disadvantage. It is recognized that the IESO and the Provincial Government have little control over Federal government tax incentives, however they do have the ability to construct the LT2 procurement process to address known inequities.