

Feedback Form

Long-Term 2 RFP – July 24, 2024

Feedback Provided by:

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Date: August 12, 2024

Following the LT2 RFP July 24, 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](#).

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 "Yes" below:

- Yes – there is confidential information, do not post**
- No – comfortable to publish to the IESO web page**

Please submit feedback to engagement@ieso.ca by August 9, 2024.

Draft LT2 Energy Contract

Topic	Feedback
Do you have any comments regarding the calculation of the monthly payment information presented?	<p>Capital Power appreciates the IESO's continued dialogue as it relates to the LT2 procurement.</p> <p>Capital Power continues to review the draft contract and settlement calculations and will provide comments upon the completion of its review.</p>

Do you have any comments regarding the treatment of excess deemed revenues or analysis to share? Please attach any supporting information.

Capital Power maintains its position that the E-PPA model should allow Excess Deemed Revenues to be shared between the supplier and the IESO. As it stands now, the E-PPA proposed contract continues to have specific risks be retained by the supplier. As such, there are scenarios where the supplier may not be able to achieve its deemed energy revenue. Principally, suppliers should be responsible for the downside risks within their control but also share in potential upside.

Capital Power would like to better understand how the IESO determined that, "suppliers will be kept whole in all likely scenarios by way of the 85% Day Ahead to Real Time protection, even when 100% of any excess deemed revenues are clawed back."

Capital Power submits that basing both deemed day ahead and real time prices off forecasts continues to pose a risk to suppliers that could result in situations where the supplier cannot reasonably attain its deemed energy revenue. Day ahead and real time price spreads, combined with this forecast risk, could also result in scenarios where suppliers will not be able to reasonably meet its deemed revenue.

Capital Power requests that the IESO share the specific day-ahead and real-time price assumptions it had used in its analysis in determining suppliers will be kept whole with an 85% Day Ahead to Real Time protection mechanism. Capital Power further requests the IESO share information on its day-ahead and real-time wind and price forecast accuracy. This information will help prospective RFP proponents in understanding the materiality of these risks and help assess an appropriate Excess Deemed Energy Revenue claw back amount.

Capital Power submits that an option to share Excess Deemed Energy should not be tied to a proponent opting out of DARTA. As stated above, suppliers are taking on risks above what the IESO had commented within its engagement session. Further and as stated in previous submissions, the contract should remain consistent across similar resource types for the procurement.

Topic	Feedback
Do you have any comments regarding the proposed approach to the performance obligations?	<p>From a principal perspective, suppliers should not be penalized for nonperformance that is outside of their control. Though the adjustment for negative priced hours is a step in the right direction, other events outside of the supplier’s control could impact the ability for a supplier to export energy to the grid. This could include events that result in derates or outages within the transmission (or distribution system for LDC connected resources), or specific real-time directions from the grid operator.</p> <p>As such, Capital Power recommends that the nonperformance language be further adjusted to account for grid operator instructions, transmission or distribution system issues, and other events outside of suppliers’ control.</p>

LT2 Capacity Contract - High-Level Design Details

Topic	Feedback
Do you have any comments or feedback regarding the design details presented for the Capacity Contract?	Capital Power will need to see further design details before being able to comment further.

LT2 RFP Community Engagement Requirements

Topic	Feedback
Do you have any comments or suggestions regarding the approach for community engagement?	

General Comments/Feedback