

# Feedback Form

## Long-Term 2 RFP – July 24, 2024

### Feedback Provided by:

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Date: August 9, 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](mailto: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?	Under Exhibit F Non-Performance Charges, the Non-Performance Charge should be \$0 when the Performance Factor Shortfall is less than or equal to 25%. The increase provides more operating room for hybrid facilities to maneuver and maximize the efficiency of energy delivery to market signals. Hybrid facilities have lower energy output annually but higher delivered energy during valuable hours in the year. If the Performance Factor Shortfall hurdle for Non-Performance Charges are too low, many proponents will not consider hybrid facilities which reduces the benefits for the Ontario electricity market.
Do you have any comments regarding the treatment of excess deemed revenues or analysis to share? Please attach any supporting information.	Excess deemed revenues should be retained by the Supplier as originally proposed by the IESO through the LT2 engagement. If the IESO is insistent on this significant shift, then previous comments made by ESC with respect to enhanced PPA structure will need to be revisited as they were submitted under the assumption that excess deemed revenue was retained by the Supplier.
Do you have any comments regarding the proposed approach to the performance obligations?	See comment above, to support the development of hybrid resources that can much better respond to market signals and deliver energy when the Ontario electricity market needs it most, the IESO must provide greater flexibility for annual energy delivery. For example, during periods of supply constraint, a Supplier may seek to storage excess energy often during low price periods to target high value hours. This will reduce the total energy delivered to the power system but will help ensure that Ontario received energy delivery in the hours when it is most needed.

## 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?	Given the complexity of connection assessment and connection construction, the IESO should change the Capacity contract to provide flexibility of Milestone COD (MCOD) when the transmitter or distributor requires more time to study, design, construct connection and/or network resources. Delays in the ability of transmitters and distributors to complete their required investments to allow a project to connect is outside of the control of the Supplier and is a risk that increases price and costs for the IESO. ESC recommends reviewing relevant sections of BC Hydro’s Call for Power that specifically address delays in connection process related to target in-service dates.

## LT2 RFP Community Engagement Requirements

Topic	Feedback
Do you have any comments or suggestions regarding the approach for community engagement?	<p>Given the small land impact and difference in resource, ESC recommends that the IESO explores opportunities to exempt certain energy storage resource assets from the Agricultural Impact Assessment (AIA) process, particularly in regions where local grid conditions or capacity needs are particularly acute. In conjunction or alternatively, it would be appropriate to exempt energy storage projects below a threshold of 100 MW from the AIA process.</p> <p>ESC also asks the IESO to further consider the potential challenges faced by proponents under the rated criteria points for the avoidance of ‘prime agricultural land’, especially as this designation applies to over 90% of Southern Ontario, including most of the province’s fastest growing communities. To that end, we would recommend that this rated criteria be exempt from the LT2 capacity stream, or at the very least for project below a threshold of 100 MW.</p>

## General Comments/Feedback