

Feedback Form

Long-Term 2 RFP – September 12, 2024

Feedback Provided by:

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Following the LT2 RFP September 12, 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 [Long-Term RFP \(ieso.ca\)](https://www.ieso.ca/Long-Term-RFP).

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 September 27, 2024.

LT2 RFP Deliverability Guidance – Update

Topic	Feedback
Do you have any feedback to share regarding the updated Preliminary Connection Guidance document?	<p>We applaud the IESO’s efforts for making this guidance document available for our understanding. This is very useful information and helps proponents make informed decisions on siting.</p> <p>We also understand that the Energy Deliverability Evaluation document is still under development but making it available at the earliest possible will enable us to effectively use this guidance document.</p>
Do you have any feedback to share on the procedure to request access to the transmission system map or process to request pre-submission consultations?	We received the map and support IESO’s attempt to share as much information as possible. We also appreciate the opportunity for the pre-submission consultation.
Do you have any feedback on the types of information that you would like to see in the LT2 Capacity RFP Guidance Document?	<p>Making a version of the guidance document with actual IESO transmission map details will be helpful in the future. The access to request this version of the document could follow the same procedure as the request to the map.</p>

LT2 RFP Design – Policy Considerations

Topic	Feedback
Do you have any feedback to share on the policy considerations outlined in the August 29, 2024, letter from the Minister of Energy and Electrification to the IESO?	<p>We are seeking confirmation that prime agricultural areas will be defined by official plans, limiting restrictions to Class 1-3 lands, only if the official plan dictates to include 4-7 lands in prime agricultural areas.</p> <p>We also support the all-above approach to energy procurement as gas still remains a vital resource.</p>

Draft LT2 Energy RFP and Contract

Topic	Feedback
Do you have any feedback regarding the recently posted LT2(e) RFP?	<p>Will we be permitted to change the maximum contract capacity and the connection point of the proposed Facility post submission of the Prescribed Form: Registration Form, in time for the Proposal submission deadline?</p> <p>Additionally, considering that the deliverability test is conducted after proposals are submitted, we support IESO's previous practice of allowing proponents to submit alternate connection points while keeping the same project location and imputed production factor, similar to the current proposed approach as PQ alternates under prescribed form Economic bid statement.</p>
Do you have any feedback regarding the recently posted second version of the LT2(e) Contract?	<p>Can the IESO confirm whether the Monthly Imputed Production Profile is to be derived from P50 energy estimates, considering the</p> <p>Further, please see General Comments below.</p>
Do you have any feedback to share on the proposed Rated Criteria for the LT2(e) RFP?	<p>We support the rated criteria as proposed.</p>
Do you have any feedback to share on the proposed mandatory requirements for the LT2(e) RFP, including Municipal and Indigenous Support Resolutions requirements as well as requirements for siting projects on Crown Land?	<p>We accept mandatory requirements as presented. We are seeking clarity on the municipal support requirement. Can the IESO clarify if a resolution that was received in previous procurements can roll over for that same municipality for LT2. This would reduce the administrative burden on the municipality.</p>
Do you have any feedback to share on the Indigenous and Community Engagement requirements for the LT2(e) RFP?	<p>We support the broader inclusion of Indigenous communities and municipalities in the process. We believe, as these communities grapple with many issues, that the IESO has an important role to play in education and outreach so that each community can fully take advantage of the opportunities renewable energy projects present.</p>

Key Themes from Recent Stakeholder Feedback

Topic	Feedback
Do you have any feedback to share on the IESO responses to recent stakeholder feedback?	We are pleased with IESO's level of engagement with stakeholders and responsiveness to concerns and questions.

General Comments/Feedback

We are currently reviewing the LT2 RFP and would like to provide the following inquiries:

We are currently reviewing the RFP. We are seeking clarity on the request for use of black ink and whether that applies to any diagrams submitted.

Further, we would like to inquire about the final opportunity for feedback, including any timelines related to direct contact with the IESO.

We have reviewed the draft LT2(e) Contract and would like to provide the following feedback:

§1.6 IESO Market Rules and Status: Provision obligates parties to negotiate an amendment if Supplier is or would be unable to comply with its obligations under the Agreement without incurring material costs as a result of IESO Market Rule changes. If Parties fail to reach an agreement, the matter is determined by mandatory and binding arbitration, from which there shall be no appeal. We prefer non-binding arbitration, and the ability to resolve the dispute in legally in court. This is especially important since the rule/law changes in questions are proposed by an entity associated with the Buyer.

§1.6 provides a narrow change in law structure limited to changes in IESO Market Rules. It is customary for power purchase agreements to allow broader change in law provisions that protect Suppliers against incurring material costs especially prior to COD. Prior to COD, Suppliers should have the right to terminate the agreement if parties cannot agree to an amendment related to a material change in law.

§2.1(a) and Exhibit A: IESO has the right to approve any modification to the Facility as outline in Exhibit A (a "Facility Amendment"). A Facility Amendment without Buyer consent is a Supplier Event of Default with a 10 Business Day cure period. Given the severe consequence of a breach and the broad content of Exhibit A, Suppliers should be given flexibility for the contents of Exhibit A (e.g.

potential alternatives for equipment). IESO should also consider defining a “material modification” instead of leaving it to interpretation.

§2.3(a) “Time is of the essence” language has been interpreted by the Ontario courts to permit the IESO to terminate a contract prior to the Longstop Date where Supplier has failed to achieve Commercial Operation by the Milestone COD. IESO should make it clear that that failure to achieve COD before the Longstop Date is not a terminable event.

§2.4(b) The Late Report Administrative Charge should be removed. Such charge is a not a common market practice and is punitive. Can the IESO please clarify what damages to Buyer is this charge intended to cover?

§2.5 Contract should include a structure to allow Supplier to reach Commercial Operations with at least 90% of the Contract Capacity.

§3.1 Minimum Performance Factor and Exhibit F creates a production requirement for Seller. This is problematic for wind and solar projects because it requires the seller to provide resource (wind/solar) guarantees until 2048 at the risk of penalties and termination. A more palatable and common structure in the renewable industry is to establish an availability guarantee of the equipment without seller guaranteeing performance of natural resources.

§6.2(b)(iii) Liquidated damages should not be associated with delays of renewing or increasing an LOC. Such an issue should be an Event of Default with cure period.

§7.1 Providing representations at time of the Effective Date is common practice; repeating each representation every quarter is not typical. Will IESO also provide quarterly representations?

§10.2(d)(i) Payment due to Buyer as a result of a pre-COD termination should be in the amount of Completion and Performance Security, less any Delay Damage already paid. Supplier total liability prior to COD should be the amount of the Completion and Performance Security.

§10.4 If Buyer does not cure an Event of Default and Supplier terminates the agreement, Buyer’s liability should not be limited to the accruing payments only up to the Termination Date.

§15.3(c) Provision states that “All Outages” shall take place in accordance with notices of Outages provided by the Supplier to the Buyer. IESO should consider revising the provision from “All Outages” to “Planned Outages” because “Outages” also include forced outages that are outside of supplier’s control and notification ability.