

Feedback Form

Long-Term 2 RFP – September 12, 2024

Feedback Provided by:

Name: Paul Young

Title: Vice President Generation Development

Organization: Orillia Power Generation Corporation

Email: [REDACTED]

Date: September 24, 2024

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?	
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?	
Do you have any feedback on the types of information that you would like to see in the LT2 Capacity RFP Guidance Document?	Please include the location of the circuits connected to Hanmer, Martindale, Essa and their adjacent TS on the map. Also, please provide the capacity and SCR for these stations.

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>Doesn't the inclusion of natural gas-based generation conflict with conclusions reached within IESO's Pathways to Decarbonization goal? In that report it was concluded that a moratorium on natural gas would be feasible beginning in 2027.</p> <p>Further, in light of the IESO lifting the strict criteria that proponents are to be "non-emitting" resources it would be reasonable to expect that rated criteria points should be added for "non-emitting" resources. These "non-emitting" rated criteria points should be heavily weighted to promote green technologies. Ensuring all available "non-emitting" resources within Ontario are utilized while not shutting out the necessary incremental Carbon producing technologies. While future energy and capacity needs will require Natural Gas Generation, it is important that the IESO and the Provincial Government promote the build-out of all available "non-emitting" resources at the same time, thereby publicly demonstrating climate change action.</p>

Draft LT2 Energy RFP and Contract

Topic	Feedback
Do you have any feedback regarding the recently posted LT2(e) RFP?	<p>Eligibility requirements state that the proponent must have at least 2 Designated Team Members who have experience from a Qualifying Project. As there has not been a lot of development recently in Ontario, it may be impossible for some organizations to find this experience within their own staff. We strongly request that the definition of Designated Team Member be extended to include consultants. Smaller companies will not be able to meet these requirements otherwise.</p> <p>The definition of Qualifying Project should be amended to include projects that have achieved commercial operation no more than Twenty (20) years prior to proposal submission. The largest build out of large renewable generation projects occurred 10 to 20 years ago in Ontario.</p>

Topic	Feedback
<p>Do you have any feedback regarding the recently posted second version of the LT2(e) Contract?</p>	<p>The methodology utilized in Exhibit F, Non-Performance Charges, may be punitive to some types of generation. The concern is that this methodology may be used within the contract to be proposed for long lead time assists, in particular hydroelectricity. Hydrologic cycles can vary widely over periods of up to 20 years. During a drought period it is quite feasible that the 3-year total delivered energy could be below the penalty threshold which would result in substantial penalties to an already stressed asset though no fault of its own. For hydroelectricity, the performance period should be at least 10 years.</p> <p>The Non-Performance charge commences when the shortfall factor is greater than 20%. The formula for Non-Performance Charge is then based on this total Performance factor shortfall, so a facility that has a shortfall of say 20.0% has no penalty, but one that has a 20.1% shortfall is penalized quite severely using this factor of 20.1%. It would make more sense to change the equation to incorporate only the difference between 20.1% and 20%.</p> <p>In other words, we suggest that the formula be amended as follows:</p> $NPC = FP \times 0.8 \times (PFS - 20\%) \times CC \times THp$ <p>The E-PPA energy model proposed for LT2(e) is not appropriate for natural gas generation. Required inputs to the model include monthly imputed production factors which are used to calculate the Monthly Revenue Requirement. Natural gas-based projects with secure fuel streams will be able to bid factors approaching 1.00, which will provide a high guaranteed revenue stream and will cause these facilities to be less incented to respond to market signals as the model is designed to do. We believe significant changes will be required to the model if IESO wants to have the desired outcome of incenting generation when the system needs it.</p>

Topic	Feedback
Do you have any feedback to share on the proposed Rated Criteria for the LT2(e) RFP?	Municipal and Indigenous organizations are not eligible for the 30% Federal Investment Tax Credits with puts them at a severe disadvantage. Points are awarded for Indigenous participation, but not for municipal owned entities. It will not be possible for municipally owned generation companies to be competitive. Points need to be awarded for municipal participation.
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?	
Do you have any feedback to share on the Indigenous and Community Engagement requirements for the LT2(e) RFP?	

Key Themes from Recent Stakeholder Feedback

Topic	Feedback
Do you have any feedback to share on the IESO responses to recent stakeholder feedback?	

General Comments/Feedback