

Feedback Form

Long-Term 2 RFP – October 22, 2024

Feedback Provided by:

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Date: November 7, 2024

Following the LT2 RFP October 22, 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 **November 8, 2024**.

LT2 RFP Multiple Submission Window Approach

Design Considerations	Feedback
Do you have any feedback regarding the multiple submission window approach being proposed for LT2?	IESO staff have consistently suggested that waterpower generators and proponents participate in the LT2 engagement, notwithstanding that, with exception of facility upgrades and expansions, new waterpower will be procured through a separate process (i.e. Long Lead Time). With each of these adjustments to the LT2 (in this case the introduction of multiple submission windows) it would be extremely helpful if the IESO could indicate whether the same (or a different) policy approach is intended to apply to the LLT procurement(s). It is also important that, each time the IESO presents LT2 procurement timelines and windows of opportunity, the LLT procurement timelines and windows are overlaid.
Specifically: Do you have any comments around the proposed timeline for the first submission window?	No comment
Do you have any comments or information for the IESO to consider in relation to the way that procurement documents will be updated and shared between submission windows?	No comment
Do you have any comments around obtaining Indigenous Support Confirmations and Municipal Support Confirmations across submission windows?	It should be left to the discretion of the Municipalities and Indigenous Communities to indicate whether they wish their respective project-specific confirmations to apply to a single procurement window or across procurement windows.
Do you have any comments around the consideration of overall targets and allocation between submission windows?	In addition to addressing demand, targets should be established considerate of the capacity of the industry, regulatory agencies and communities to support new development. A smoothed, cadenced and predictable approach is much preferred over “boom and bust” cycles which stress supply chains, human resource capacity and ultimately increase costs for ratepayers.
Deliverability	Feedback
Do you have any comments for the IESO to consider regarding deliverability under the new windowed approach?	As we have noted in previous submissions, the allocation of connection capacity through LT2 needs to consider and be coordinated with the needs of waterpower projects brought forward through LLT, particularly in northern Ontario. Given its higher production capacity and hence better grid utilization (and grid support), available connection capacity should be reserved for or preferentially assigned to waterpower projects brought forward through either LT2 (expansions, upgrades) or LLT (new developments).

Ministry of Natural Resources Presentation:

Renewable Energy on Crown Land Considerations	Feedback
<p>Do you have any comments in relation to the information presented by MNR regarding Crown Land considerations for renewable energy projects?</p>	<p>The OWA remains extremely concerned that MNR’s proposed structural approach to implementing its legislative, regulatory and policy mandate for new electricity project development will fail and strongly encourages that the Ministry move away from the decentralized District/Regional model to a centralized SWAT Team structure. This centralized approach has previously proven to be effective in other jurisdictions (e.g. Lands and Waters BC). Our rationale for this innovation for waterpower is as follows:</p> <ul style="list-style-type: none"> - Unique to waterpower, virtually all new development will be located on provincial Crown land (MNR – <i>Public Lands Act</i>) and permitted by MNR (<i>Lakes and Rivers Improvement Act</i>). - This “cradle to grave” reality for MNR’s regulation of waterpower means that implementation processes can either facilitate or frustrate new development - From a general legislative, regulatory and policy implementation perspective, MNR is structured as a “decentralized” operational organization with “Work Centres”, “Districts” and “Regions”, with a wide range of resource management responsibilities. - Legislative decision making (e.g. PLA, LRIA) is generally “delegated” to the operational level (e.g. District Manager, Regional Engineer). - This structural approach has proven ineffective in advancing new waterpower development as the individual operational centres often lack the capacity and/or expertise of relevance to waterpower. - This is exacerbated by the fact that waterpower developments generally take 5-7 years from site access to commissioning – a timeline that inevitably sees significant staff turnover at the local level. - In fact, <u>at present</u>, waterpower proponents with facilities built years ago are already experiencing significant delays in obtaining MNR approvals, both under the PLA (tenure) and the LRIA (Water Management), waiting months, and, in some cases, years due largely to the capacity and expertise challenges previously noted. - While previous solutions were to invest significantly more in MNR local capacity in anticipation of new electricity projects, simply overlaying new responsibilities on the existing structure has proven ineffective. - A case example of this failure was the Feed in Tariff (FIT) program of 2009-10, when at least 50 waterpower projects were awarded contracts, yet over the subsequent decade, only 12 were built, many at a cost that had negative impacts the respective projects’ economics due to extended development timelines. - Of the remaining projects that began development, the majority were canceled because permitting through MNR could not be completed in time to meet contractual obligations with respect to Commercial Operation Date (initially 5 years after

	<p>contract award, subsequently adjusted to 8 years).</p> <p>Key features of the OWA's proposed SWAT Team include:</p> <ul style="list-style-type: none">- representation from and accountability to the Ministry of Energy and Electrification;- efficiently resourced to respond to waterpower development/redevelopment in a timely manner with appropriate service delivery commitments;- authority for review and approvals and the ability to determine which information to obtain from a District/Region at a project level; and- transparency to proponents, the IESO and the public with respect to progress against targets.
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Predevelopment Roadmap	Feedback
Do you have any comments regarding the information presented by MNR regarding the predevelopment roadmap?	It was extremely disappointing that when asked on slide 12 what MNR's service delivery commitments were, the answer was "there are no established timelines". Given the imperative for the expansion of the electricity system to meet reliability requirements and the policy encouragement of new development in northern Ontario (90% Crown land), it is completely unacceptable that, at this late stage in the procurement design, MNR has yet to provide any indication on how it intends to facilitate new electricity projects. How are proponents expected to prepare to compete in a procurement when the very basic step of predevelopment has no defined timeline?

General Comments/Feedback