Feedback Form

Long-Term 2 RFP – December 12, 2024

Feedback Provided by:

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Organization: Energy Storage Canada

Email: [redacted]

Date: Jan 10, 2025

Following the LT2 RFP December 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 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 January 10, 2024.

Overview of directive and LT2 updates

Question	Feedback
• Do you have any comments for the IESO regarding the proposed targets for the first submission window and/or the range of targets proposed for future windows?	Please see below/attached
• Do you have any comments for the IESO to consider regarding the proposed timeline for the first submission window?	Please see below/attached

LT2 (c) – High Level Overview of RFP and Contract

Question	Feedback
• Do you have any comments for the IESO regarding the newly proposed rated criteria related to duration?	Please see below/attached

LT2(e) and LT2(c) RFPs and Contracts

Question	Feedback
• Do you have any comments related to the treatment of support confirmations across windows?	Please see below/attached
• Do you have any comments related to the proposed new requirement for evidencing that a project is on Unincorporated Territory?	Please see below/attached
• Do you have any comments regarding the proposed early COD multiplier?	Please see below/attached

Deliverability Guidance

Question	Feedback
Do you have any comments around the Deliverability for Windowed Approach?	Please see below/attached
Do you have any general comments you would like to share around the deliverability guidance or test methodology information presented for window 1?	Please see below/attached

General Comments/Feedback

LT2 RFP Engagement Feedback
Submitted by: Energy Storage Canada
Date: January 10, 2025

Energy Storage Canada (ESC) appreciates the opportunity to provide feedback to the Independent Electricity Operator (IESO) regarding the LT2 RFP. As the national voice for energy storage, ESC represents over one hundred companies across the energy storage value chain – technology providers, project developers, investors and operators, utilities, electricity distribution companies and NGOs, accounting for over 90,000 jobs throughout the country. ESC is dedicated to unlocking the transformative potential of energy storage technologies for Canada's energy system.

Ontario's energy system is at a pivotal moment as demand for electricity continues to grow at an unprecedented rate and the electrification of our economy progresses. Ontario demand is forecasted to increase from 151 TWh in 2025 to 263 TWh in 2050 – a 75% increase over 25 years. This is driving significant near-term and long-term needs. ESC believes that by unlocking its full value, energy storage assets offer an innovative solution to meet the province's needs, while ensuring reliable, flexible, and affordable energy is readily available to ratepayers. We submit this response to highlight the critical role of energy storage in achieving these outcomes and provide actionable recommendations for the LT2 RFP.

Current Status of Energy Storage in Ontario

The Ontario Government has made significant strides in recognizing the value of energy storage, with notable projects demonstrating the technology's potential. Through recent competitive procurements, the Ontario government, through the Independent Electricity System Operator (IESO), secured almost 3,000 MW of new battery storage capacity, making it the largest battery storage procurement in Canada's history. This is in addition to the 250 MW Oneida storage project secured in 2023, and behind-the-meter storage assets that are used to help support Class A Customers in reducing peak demands through the Industrial Conservation Initiative (ICI).

Furthermore, Ontario's Local Distribution Companies (LDCs) and transmitters are now empowered to integrate non-wires solutions (NWS) into their distribution system investment plans, promoting innovation and grid modernization. Energy storage is well-positioned to become an increasingly crucial resource, offering a flexible alternative to traditional infrastructure investments.

ESC commends the efforts of the IESO to continue to conduct an open and transparent process as it relates to its LT2 process. Specifically, we would like to acknowledge that the IESO is demonstrating a clear appreciation for its stakeholders by working to provide exceptional clarity when it comes to the timing of procurement initiatives. Additionally, ESC is supportive of the approach of the IESO to include a separated energy and capacity stream which specifically recognizes the incredible value that energy storage offers to the Ontario system.

While we applaud the successes of the IESO, ESC would also like to take this opportunity to highlight a few concerns raised by our more than one hundred members across Canada regarding the recent LT2 updates provided during the December 12, 2024, webinar.

ESC has drafted its feedback in following key areas:

1. Duration
2. Procurement Timing
3. Risks of Deliverability Assessment and Deliverability Guidance
4. Crown Land Access
5. Stream Targets

Duration

For the LT2 the IESO has included a new Duration criterion with 3 Points available for 12 hour+ duration for non-electricity storage facilities, and 2 Points available for electricity storage facilities. Some members of ESC have expressed that this proposed design will effectively exclude non-gas resources as the additional 2 points are not sufficient to make non-Li-ion storage technologies competitive. While the IESO has acknowledged that duration requirements may evolve in later windows, clear and transparent forecasting information with enough time to allow developers and technology types to assess business investment options is prudent for responsible planning.

Procurement Timing

During the online seminar IESO updated the timelines for the first window, which includes an aggressive bid submission date for the LT2e. ESC members have expressed that the LT2e bid submission deadline (July 24, 2025) is earlier than expected, especially given the time it is taking to finalize procurement design. This early timeline is particularly challenging for some technology types, given the significant initial 3 TWh target.

ESC requests that the IESO consider a longer procurement timing specifically for the LT2e first window as proponents familiarize themselves with the process and expectations.

Risk of Deliverability Assessment and Deliverability Guidance

Deliverability for the Capacity stream is initially larger than expected and reflects a new more "flexible" approach that IESO transmission planners are taking, giving some allowance for project in service near, as opposed to before, transmission upgrades take place. However as currently proposed proponents continue to lack the appropriate line of sight into the locations of key consideration for deliverability in advance of the next window. The IESO should work to provide this deliverability guidance further in advance of the next procurement window to allow proponents to best meet system needs.

Crown Land Access

A continued challenge that the ESC has raises is the integration of crown land access into the LT2 procurement. At present this remains a key risk to our members and no additional clarity was provided during the previous online seminar. Critically this remains a considerable challenge for many storage technologies.

Stream Targets

The IESO has not identified its targets for capacity from electricity vs. non-electricity resources. ESC members have expressed that additional clarity regarding these targets at each window, would better allow them to understand how they best might be able to assist the IESO in their process. Therefore, ESC recommends that IESO provide its targets for capacity from electricity vs. non-electricity resources, to clarify the opportunity for each.

Conclusion

Energy storage is uniquely positioned to address Ontario's energy challenges while advancing affordability, sustainability, and reliability. By implementing the actionable feedback outlined in this submission, the LT2 can further unlock the transformative potential of storage, benefiting both the electricity system and ratepayers.

Energy Storage Canada welcomes the opportunity to work with the IESO and other stakeholders to realize these goals. Please contact Andrew Thiele, Sr. Director Policy and Public Affairs, ESC [redacted] for further discussions or questions on this feedback.

Sincerely,

Andrew Thiele

Andrew Thiele
Sr. Director Policy and Public Affairs, ESC
[redacted]