

# Feedback Form

## Long-Term 2 RFP – April 24, 2025

### Feedback Provided by:

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Date: May 9, 2025

To promote transparency, feedback submitted will be posted on the LT RFP engagement page unless otherwise requested by the sender.

- ☐ **Yes – there is confidential information, do not post**
- ☐ **No – comfortable to publish to the IESO web page**

Following the LT2 RFP April 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 LT2 [engagement web page](#).

**Note:** The IESO will accept additional materials where it may be required to support your rationale provided below. When sending additional materials please indicate if they are confidential.

**Please submit feedback to [engagement@ieso.ca](mailto:engagement@ieso.ca) by May 9, 2025.**

## Tariff Risk Mitigation

Do you have any comments related to the tariff risk mitigation concepts presented during the webinar?

We appreciate the IESO's acknowledgment of the risks introduced by the current trade environment and are supportive of the high-level constructs proposed to help mitigate these challenges. We support the Two-Stage Proposal Submission and the Pre-COD Contract Price Escalation framework as currently contemplated. We also support the inclusion of a Contract Price Re-Bid Mechanism, with a few suggested refinements to ensure Proponents can responsibly manage risk in the face of external events beyond their control.

As the IESO works to further define the Re-Bid Mechanism, we offer the following recommendations:

- **Broaden the Trigger Beyond Canadian Tariffs.** We recommend that the IESO expand the trigger for Contract Price Re-Submission to include material external events beyond the imposition of tariffs by the Canadian federal government. The current tariff environment is highly dynamic and has the potential to permanently reshape global supply chains and pricing dynamics, with full implications still emerging. While tariffs imposed by Canada would almost certainly lead to a material cost impact on LT2 projects, they are not the only such trigger.

For example, U.S. tariffs on other countries have already disrupted global equipment supply and increased input costs across North America. These actions can lead to supply bottlenecks, heightened competition for limited equipment in lesser affected jurisdictions, and foreign exchange pressures that materially increase Canadian project costs. Limiting the mechanism to Canadian government tariffs may not adequately reflect these broader global risks that Proponents cannot mitigate or forecast.

- **Proponent-Driven Re-Bid Election.** We recommend that the ability to initiate a re-bid rest solely with the Proponent. We understand that the IESO has concerns regarding the administrative complexity of assessing the materiality of cost impacts relative to a baseline. Proponents are best positioned to evaluate these impacts and determine whether a re-bid is necessary to maintain commercial viability. A Proponent-led approach reduces administrative burden on the IESO while preserving flexibility to adapt to unforeseen market conditions.
- **Timing.** To address risk exposure related to tariffs introduced by Canadian federal government, we recommend that the time period established by the IESO align with when these tariffs would be applied, which would be upon equipment delivery, rather than purchase.
- **Treatment of Security in the Event of Offramp Election.** If the IESO does not accept a Re-Bid Contract Price and the Proponent elects to exercise the offramp, we recommend that 100% of the proposal security be returned to the Proponent. This would align with other provisions in the Contract that recognize the need to return security when a Proponent is materially affected by events beyond its control. Ensuring this consistency would provide fairness and encourage continued market participation in future procurements. Further, the return of the proposal security would help offset costs incurred by the Proponent in developing the project.

## LT2 RFP and Contract Updates

Do you have any comments related to the other RFP and Contract updates presented during the webinar?

We appreciate the recognition from the IESO around the risk associated with both costs and scheduling of gas supply contracts, and how those issues will impact the submission from project proponents in response to the LT2 procurement. Project proponents will be unable to build into their bids all the possible costs and offer the best costs for electricity. We support the IESO exploring contractual modifications that would mitigate risk.

On long lead times for turbine procurement, we support option one with the modification that the IESO forgo liquidated damages for delayed turbine delivery.

## LT2 RFP Requirements for Crown Land Projects

Do you have any comments regarding the new Proposal Submission requirements for Crown Land Projects?

Given that the Crown Land Confirmation Letter issued by the Ministry of Natural Resources (MNR) is a mandatory document required for project submission, and with the project deadline approaching in less than six months, it is critical for us to gain a comprehensive understanding of the Crown Land Site Report process and approval timelines. Having this detailed information will enable proponents to effectively plan and coordinate their efforts, ensuring adequate time to receive Crown Land Confirmation Letter from MNR.

Currently, if there is any overlap between Project Sites, only one project of the multiple overlapping projects is selected during the deliverability stage. We recommend not eliminating projects solely based on overlap, especially when the overlap is minor. Instead, we suggest establishing a defined threshold for minor percentage overlap for e.g. <10% land area, allowing promising projects to adjust their boundaries if both are deemed deliverable during the final deliverability assessment. We believe this approach maximizes the IESO's ability to improve the number of successful projects that efficiently utilize land and available transmission capacity.

## LT2 RFP Deliverability Update

Do you have any comments regarding the deliverability guidance updates presented during the webinar?

We support a feasibility assessment platform.

## General Comments/Feedback