

Feedback Form

Long-Term RFP – March 10, 2022

Feedback Provided by:

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Following the March 10th public webinar on the Long-Term RFP, the Independent Electricity System Operator (IESO) is seeking feedback from participants on a variety of elements to help further inform the draft RFP and Contract, including: term length, revenue streams, deliverability process and Draft RFQ.

The referenced presentation can be found on the [Long-Term RFP webpage](#).

Please provide feedback by March 17, 2022 to engagement@ieso.ca.

Please use subject header: **Long-Term RFP**. To promote transparency, this feedback will be posted on the [Long-Term RFP webpage](#) unless otherwise requested by the sender.

The IESO will work to consider and incorporate comments as appropriate and post responses on the webpage.

Thank you for your contribution.

Term Length

Topic	Feedback
Does the revised, 15-year term length provide stakeholders with sufficient certainty for project financing and development?	Yes, a 15-year term is likely sufficient, but a longer 20-year term is preferred.

Revenue Streams

Topic	Feedback
Are stakeholders supportive of the high level approach for additional revenue streams, discussed in slides 26-28?	In general, we are supportive, however, more detail needs to be shared to determine whether the IESO proposal will work for energy storage.
Does an option with a capacity payment and energy market hedge provide stakeholders with sufficient certainty?	It is hard to say since much depends on the details of how the revenue mechanism will work in the contract. The cost of electricity used during charging also needs to be considered in the contract for an energy storage facility. If for some reason an energy storage facility was forced to cycle with an un-economic energy spread, there should be a mechanism to hold the facility whole.
Do stakeholders believe that the high level revenue stream option supports efficient market operation? Are there additional considerations that could help support energy market efficiency?	MRP creates market revenue uncertainty and as a result, there is a need contract structures that de-risk that market uncertainty.

Deliverability Process

Topic	Feedback
Do stakeholders have any comments on the deliverability process laid out on slides 34-36?	<p>The deliverability process has only been described at a high level. In principle, the deliverability assessment seems workable. The process needs to be transparent so proponents will know how the deliverability will be assessed. A similar process was undertaken during the FIT program, and it was not entirely successful as there were numerous instances where FIT developers had to change points of interconnection.</p> <p>IESO should also clarify if the deliverability assessment also factors in cost to connect or timelines to construct interconnection.</p>

Topic	Feedback
<p>Does the general timing of the proposed deliverability process (i.e., a deliverability assessment window prior to proposal submission) provide stakeholders with enough clarity on the deliverability of their proposed project?</p>	<p>This will depend on how far in advance the deliverability assessment will be provided and what the LT RFP requirements will be for site-specific information. Storage developers will not be investing on the site-specific aspects of their proposals until they know there are no deliverability issues.</p> <p>If the RFP will contain any optional/mandatory consultation requirements, it is important that the deliverability assessment is conducted well in advance so that consultation is not conducted for projects that are ultimately un-feasible.</p> <p>There needs to be sufficient time between ascertaining the site works from a deliverability aspect and proposal submission deadline to do all the site-specific work.</p> <p>Making the deliverability assessment only valid for the LT 1 RFP process and subject to confirmation from a subsequent SIA/CIA process adds uncertainty that could result in projects that are unable to be delivered. The deliverability assessment should be rigorous enough to provide proponents with confidence that their project is feasible and if a 'fatal flaw' is found during the SIA/CIA process, there should be a mechanism for the contract to be cancelled without any penalty for the proponents and complete reimbursement provided to the proponent for any RFP related payments / security that was provided to IESO.</p>

Draft RFQ

Topic	Feedback
<p>Do stakeholders have any general comments on the draft RFQ as discussed on slides 37-46?</p> <p><i>Please note that specific draft RFQ feedback is requested on the feedback form sent alongside the draft RFQ on February 28.</i></p>	<p>Excluding behind-the-meter (“BTM”) development experience significantly disadvantages energy storage developers in this RFQ process. All the tasks needed to develop BTM energy storage are relevant to developing front-of-the-meter (“FTM”) energy storage solutions. The BTM exclusion in Section 3 of the RFQ needs to be removed.</p> <p>It should be noted that many BTM facilities are currently operating as market participants with complex operations and dispatch.</p> <p>If the capacity need is so acute that projects ideally need to be delivered in 2025, why is the IESO running an RFQ? The criteria being assessed in this RFQ could very easily be incorporated into the RFP and the IESO would save 9 to 12 months of time, giving the successful projects that emerge from the RFQ more time to develop their projects.</p> <p>It is not clear that a proponent qualifying for Large-Scale LT1 Projects will automatically qualify for Small-Scale LT1 Projects, too. This was mentioned during the webinar but should be clarified.</p>

General Comments/Feedback

Please refer to our detailed RFQ feedback form which will be provided by the March 31st deadline for further detailed comments on the draft RFQ.

With respect to the eligibility in the Long-Term RFP we request that consideration be given to BTM resources, including residential resources in aggregate to be allowed to participate in the RFP.