

# Feedback Form

## Long-Term RFP – April 20, 2022

### Feedback Provided by:

Name: Jud Whiteside

Title: Vice President

Organization: Aypa Power

Email: [REDACTED]

Date: May 2, 2022

Following the April 20<sup>th</sup> public webinar on the Long-Term RFP, the Independent Electricity System Operator (IESO) is seeking feedback from participants on the additional procurement mechanisms, as well as on proposed revenue streams.

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

**Please provide feedback by May 2, 2022 to [engagement@ieso.ca](mailto: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.

## Additional Acquisition Mechanisms: Expedited Procurement

Topic	Feedback
<p>Considering higher security amounts, what incentives are sufficient to encourage expedited project development to meet the 2025 needs (e.g., increased term length, price adders, reduced RFP requirements)?</p>	<p>Considering the expedited nature of the procurement, a higher security amount is necessary to attract real and advanced projects that can be delivered on time to meet the 2025 need. The expedited procurement should contemplate incenting developers and IPPs to deploy resources and capital to accelerate their development projects by providing an upside price incentive and longer contract tenure (20+ years) for achieving the earlier commercial operation.</p> <p>The RFQ qualification requirements for the expedited procurement should be made identical to the ones currently contemplated for the LT RFP from both a market fairness standpoint but also to ensure that no real development projects, that can demonstrate readiness to meet the 2025 need, are excluded as this may impact the IESO's ability to address a critical reliability need, reduce or eliminate competitiveness, and ultimately increase cost to the Ontario rate payer. A proponent that has capabilities to execute a project under the LT1 RFP path is also capable executing a project under the Expedited path. More stringent requirements, as outlined below, should be placed on qualifying the actual development projects to make sure they can be delivered on time to meet the 2025 need.</p>
<p>What evidence can proponents include in the proposal to show the advanced stages of project development?</p>	<p>The IESO should consider including the following requirements for counterparties to demonstrate development project readiness: proof of site control, permitting plan and progress, community engagement plan and progress, transmission or distribution interconnection plan and progress, procurement plan, and financing plan.</p>

Topic	Feedback
Is there any other external support (e.g., from the IESO) that would be needed to help proponents meet expedited development timelines?	<p>IESO support with expediting interconnection approval and deliverability assessment and allocation is critical, as well as working with the transmission owner and/or distribution utilities to ensure timely delivery of the interconnection facilities and associated upgrades.</p> <p>Also, the IESO can support in community engagement and permitting efforts by providing support letters to developers outlining the development project value in light of the imminent reliability need.</p>
Are the proposed timelines acceptable to proponents? (slide 23 of April 20 presentation)	Yes
Do the timelines for the Expedited procurement offer sufficient time for proposal preparation? (slide 23 of April 20 presentation)	Yes
Any further general comments on the Expedited procurement?	

## Additional Acquisition Mechanisms: Same Technology Expansions

Topic	Feedback
What milestones (i.e., contract execution) and forward period would be required to support a 2025 in-service date?	<p>RFP release and contract execution timelines should be the same as the ones outlined for the Expedited Procurement.</p> <p>The procurement should contemplate incenting developers and IPPs to deploy resources and capital to accelerate their development projects by providing an upside price incentive and longer contract tenure (20+ years) for achieving the earlier commercial operation.</p>

Topic	Feedback
<p>What considerations regarding the existing contracts does the IESO need to take into account in the design of the process?</p>	<p>A new contract can be put in place that would extend the life of the existing resource beyond its current expiry date but would have a shorter tenure than the expansion/uprate. The new contract will also incorporate the expansion/ uprate that would have an earlier operation date such that the expiry of both the existing resource and the expansion/uprate are aligned. For example, if an existing generation facility has a contract expiry of 2032 and the expansion/uprate would come online in 2025, the new contract for both the existing generation and the expansion/uprate would expire in 2040 assuming a 15 year tenure for the expansion/uprate.</p>
<p>Is there any other external support (i.e., from the IESO) that would be needed to help proponents meet expedited development timelines?</p>	<p>IESO support with expediting interconnection approval and deliverability assessment and allocation is critical, as well as working with the transmission owner and/or distribution utilities to ensure timely delivery of the interconnection facilities and associated upgrades to support the expansion/uprate.</p> <p>Also, the IESO can support in community engagement and permitting efforts by providing support letters to developers outlining the development project value in light of the imminent reliability need.</p>

Topic	Feedback
Any further general comments on the same technology expansions?	Considering the imminent capacity need, we recommend that the IESO consider technology expansions/uprates that do not involve the same technology. A different technology, such as energy storage, would have a higher UCAP and given the disturbed nature of an existing site/project, energy storage can be added as a hybrid or co-located resource that would provide a higher capacity value for the existing resource or as a new resource which would be beneficial for meeting the capacity need at a lower cost than a new build greenfield project.

## Additional Acquisition Mechanisms: Forward Capacity Auction

Topic	Feedback
To what extent does a forward capacity auction with longer forward and commitment periods increase interest for prospective auction participants?	
Do stakeholders have any comments on expanded participation and eligibility for resources?	
Do stakeholders have any comments on demand curve parameters?	
Do stakeholders have any comments on interactions with the annual capacity auction including target capacities?	
Do stakeholders have any input to provide into the design of longer forward and commitment period?	
Do stakeholders have any further comments on other business/stakeholder considerations associated with longer forward periods?	

Topic	Feedback
Any further general comments on the forward capacity auction?	

## LT1 Design Considerations: Revenue Streams

Topic	Feedback
Are stakeholders supportive of the concept of a bundled CFD style approach?	
As per slide 54, is a bundled CFD contract preferred that is either: (1) linked to energy market prices, with a strike price set at a \$/MWh value beyond a capacity payment, or (2) linked to a total revenue requirement \$/MW-month that includes both capacity revenues and energy market revenues?	
How can a bundled CFD be best designed in order to ensure resources adhere to energy market incentives, in exchange for investor certainty?	

## LT1 Design Considerations: Mandatory requirements

Topic	Feedback
Do stakeholders have any feedback on the examples of mandatory requirements on slide 63?	
Are stakeholders supportive of the Indigenous and Municipal mandatory requirements proposed for the LT1 RFP and Expedited procurement on slide 64?	

## LT1 Design Considerations: Rated criteria

Topic	Feedback
Are stakeholders supportive of the rated criteria approach that is proposed for the LT1 RFP and Expedited procurement?	

Topic	Feedback
Are stakeholders supportive of the Indigenous participation rated criteria proposed on slide 66?	

## General Comments/Feedback