

Administrative Office
The Ontario Greenhouse Alliance
381 Elmira Rd N, Unit 1
Guelph, ON N1K 1H3
www.theontariogreenhousealliance.com



Office of the Chair
Jan Vanderhout
Beverly Greenhouses
www.theontariogreenhousealliance.com

May 2, 2022

Independent Electricity System Operator (IESO)
120 Adelaide Street West, Suite 1600
Toronto, ON
Engagement@IESO.ca

RE: IESO (LT1 RFQ) Request for Qualifications for The Procurement of Long-Term Electricity Reliability Services

The Ontario Greenhouse Alliance (TOGA) is pleased to provide commentary to the IESO and the Ministry of Energy regarding the recently announced prioritization of key transmission projects in Southwestern Ontario. TOGA is an alliance of greenhouse organizations, cumulatively representing over 420 greenhouse producers that account for more than 4,200 acres of vegetable and floriculture produce annually. Generating farmgate sales exceeding \$1 billion 900 million in both 2019 and 2020, the greenhouse sector is prepared to grow further at a rate of 5% per year over the next 5 years.

The implementation of technology, such as robotics, artificial intelligence applications, and highly advanced lighting systems are making greenhouse farms state-of-the-art production facilities. Our sector is adaptive and forward-thinking, and looking for opportunities to move toward blended and clean fuels as they become available. Our facilities are highly innovative, implementing technologies to mitigate our reliance on natural gas and dependence on energy over the long-term.

On-farm electrical generation has the potential to support critical infrastructure necessary to achieve provincial housing targets and growth imperatives that would assist Ontario's Plan to Build. Leveraging assets across Ontario that are under-utilized and new assets that can be commissioned will strengthen the provincial electricity grid allowing urban development and sectoral growth.

The ability for greenhouse farms to be primary producers of electricity to support a constrained electrical grid is an activity well-known to the sector. Maintaining current energy contracts distributing up nearly 40 Megawatts (MW) through the CHP1 and CHPSOP 2 programs, we are well-positioned to take part in the opportunity to deploy projects assisting in contributing to meeting the 2,500 MW being requested.

With regards to the draft IESO LT1 RFQ dated April 22, 2022, please note our following recommendations:

Qualification Submission

Qualification Submission Fee of \$11,300 should be refunded if the application is unsuccessful. Currently it is non-refundable, except in cases where “an RFQ Applicant withdraws a Qualification Submission prior to the Qualification Submission Deadline” as provided in Section 2.7(c)(ii).

From Section 2.13:

- (b) Confirmation that the project would be a dispatchable, New Build Electricity resource;

Team Member Mandatory Requirements

It is ambiguous referencing the Team Member Mandatory Requirements can include contracted experts to plan, develop and install the project.

The requirement should be rewritten such that “Designated Team Members who collectively have experience Planning, Developing, and Constructing the project with identified and validated Financing, and with reasonable expectations for Operating the project over the contracted lifetime”

Evaluation of Entity Development Experience Threshold

Consistency in the definition of Small-Scale is required as it is referred to as “(A) with a nameplate capacity of at least 500 kW” in section 3.2(b) but as “a Long-Term Capacity Project with a nameplate capacity which is equal to or above 1 MW but less than 5 MW”.

The requirement for the RFQ Applicant to have had previous ownership, “have directly owned five (5) or more Electricity generation or storage facilities” disqualifies new CHP builds which could provide a beneficial synergy for food production and energy generation.

The requirement should be rephrased without “prior” such that Operating “means demonstrable experience operating, monitoring, maintaining, inspecting, and repairing an Electricity resource”

Determination of Eligibility

Concerning the subsection (f), limiting the expedited process to “Large-Scale LT1 Projects and to RFQ Applicants that satisfy both the Large-Scale Team Member Experience and the Large-Scale Entity Development Experience Threshold” Misses a large opportunity for mid/intermediate scale projects with total electrical generating capacity between 3MW and 30 MW. Section 3.4(f) must include the small scale, even if keeping the “required level of proposal security under the Expedited Process is proposed to be 1.5 times the amount of the Base Proposal Security.”

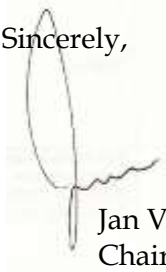
Finally, it is also worth noting the importance of on-farm electrical generation's role in supporting and supplementing critical infrastructure necessary to achieve provincial housing targets and growth imperatives that would assist Ontario's Plan to Build. Leveraging assets that are under utilized and new assets that can be commissioned will strengthen the provincial electricity grid allowing urban development and sectoral growth.

The Greenhouse sector is positioned to lead the Province of Ontario in a post-COVID-19 economic recovery. The power these projects could deliver will prevent brown outs, minimize the impacts currently felt by an over-subscribed grid, and allow businesses across many sectors to expand and flourish. For the greenhouse sector, the load profiles currently modeled have baseloads much lower than what the requirements will be in the next 3 years.

Winter production is increasing due to the affordability and efficiency of lighting techniques, specifically Light Emitting Diode (LED) and High-Pressure Sodium (HPS). Enabling expansion and execution of on-farm electrical generation like the ones currently utilized will reinforce our abilities to grow, package and make available sustainably grown, high quality and affordable products for Ontario.

Our sector is eager to support the province in contributing to energy needs of Ontarians, particularly in periods where our greenhouses' Electricity generation is in excess of what is required for production. We look forward to collaborating further with the IESO and other stakeholders as the LT1 RFQ process continues to become more defined.

Sincerely,



Jan VanderHout
Chair, The Ontario Greenhouse Alliance

cc: OGVG, FCO, Ontario Ministry of Energy

/am