

Feedback Form

Long-Term RFP – July 21, 2022

Feedback Provided by:

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Date: August 3, 2022

Following the July 21st public webinar on the Long-Term RFP, the Independent Electricity System Operator (IESO) is seeking feedback from participants on: Municipal Council Support Resolution, Contract Design, Revised Timelines, and the Deliverability Test Guidance Document.

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

Please provide feedback by August 4, 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.

Municipal Council Support Resolution

Topic	Feedback
<p>Please provide any feedback on the IESO’s proposal to change the Municipal Council Support Resolution from a mandatory requirement to a rated criteria.</p>	<p>This specific criteria will be a major contributor to how local communities perceive this and future IESO procurement processes. Although the proposed change from a mandatory requirement to a rated criteria is a step in the right direction, the proposed change continues to place an undue administrative burden and stress on municipal partners. Proponents will still be looking to secure Municipal Council Support Resolutions to ensure maximum points. The fact that certain areas of the province are preferred for development over others means that a subset of municipalities will be inundated with proponent requests in a very tight timeframe. This has the potential to create fatigue and contention between proponents and municipalities. Removing this criteria would allow proponents to conduct key studies and properly engage with stakeholders to ensure an amicable relationship and project success. Other jurisdictions have included criteria that requires proponents to formally engage with a municipality (e.g. providing project details in-person/virtually, answering questions from council, and receiving written confirmation this occurred) but does not require a municipality to formally support or oppose a project. We would support this approach here.</p>

Proposed Contract Design

Topic	Feedback
<p>Please provide any feedback on the potential use of indexing in the contracts and what indices (if any) may be best suited for these procurements.</p>	<p>Given the volatile markets for key raw materials (steel, lithium, copper, etc.) we suggest including the ability for proponents to select a percentage of their bid price that will be tied to an index identified by the IESO for the given technology (e.g. XX% of a proposed bid price is tied to a collection of indices or a single index). This mechanism would increase the certainty that projects move forward regardless of market volatility and achieve operations while transparently passing along any savings or costs associated with raw materials to ratepayers. The escalation or decrease to a submitted bid price should be calculated from the bid submission date to the date NTP is issued to lock in the key equipment supply and EPC contracts. Some form of indexation ensures that proponents awarded contracts are not forced to walk away from a PPA while also ensuring that no contract takes advantage of market conditions at the expense of ratepayers. The Statistics Canada industrial product price index or Canada (Table 18-10-0265-01) provides a reasonable set of sub-categories applicable to this procurement (Lumber, ferrous/non-ferrous metal products, construction materials, cement, misc products including batteries, etc.)</p>

LT1 RFP and Expedited Process: Revised Timelines

Topic	Feedback
<p>Please provide feedback on the proposed revised timelines and whether these seem appropriate.</p>	<p>With the Municipal Council Support Resolution still proposed as a rated criteria, deliverability requests allowing for up to three project iterations, and many proponents planning for meaningful indigenous engagement, the updated timelines still seem optimistic with the biggest impacts from the proposed schedule being:</p> <ol style="list-style-type: none"><li data-bbox="828 546 1529 703">1. Negative public sentiment towards stakeholders participating in the procurement (proponents, partners, municipalities, etc.) resulting from the rushed nature of the process and deliverables .<li data-bbox="828 703 1529 903">2. Increased cost to procure capacity due to greater risk premiums being placed on bids. Greater risk premiums are one of a few ways to offset a lack of time for optimizing projects, and ultimately proposals. <p>We suggest moving the Expedited RFP submission deadline to January 31 to ensure the local community, municipal councils, technical experts, IESO, and proponents are able to effectively work around any delays resulting from the lead up to the holiday season. Additionally, the January 31st submission deadline provides some schedule float to the IESO for deliverability assessments and proponent feedback on the RFP and PPA.</p>

Deliverability Test Guidance Document

Topic	Feedback
Please provide any feedback on the Deliverability Test Guidance Document and associated form.	N/A

General Comments/Feedback