Feedback Form

Long-Term RFP – July 21, 2022

Feedback Provided by:

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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
Please provide any feedback on the IESO's proposal to change the Municipal Council Support Resolution from a mandatory requirement to a rated criteria.	Hydrostor supports this proposed change.

Proposed Contract Design

Topic	Feedback
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.	Hydrostor supports the use of indexing in the contract. Hydrostor recommends the use of the Raw Materials index from the Government of Canada found here: https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1810026801 The Raw Materials index is a technology agnostic index which provides insight across the overall economic environment.

LT1 RFP and Expedited Process: Revised Timelines

Topic	Feedback
Please provide feedback on the proposed revised timelines and whether these seem appropriate.	

Deliverability Test Guidance Document

Topic	Feedback
Please provide any feedback on the Deliverability Test Guidance Document and associated form.	The unique operational capability of energy storage resources does not appear to have been considered by the IESO as part of the Deliverability Test Guidance Document. Energy storage can support system stability and support interface transfer limits through different operating modes. The IESO does not appear to have considered places where energy storage may be able to connect while stand-alone generation might face constraints. Further information on the treatment of energy storage resources in the Deliverability Test is required. Hydrostor recommends that deliverability for storage be evaluated with some solar and wind output. Specifically, the deliverability test states for the Storage Charging test that storage charges when wind and solar are at zero output. The IESO should study hourly Ontario system prices to understand when the prices are lowest and understand what the output of solar and wind is during those range of hours. Storage assets are motivated to charge during the lowest price hours and as such the test should be representative of that. The average output of solar and wind during those hours should be applied for the Storage Charging Test. The outcomes of the Deliverability Test provide minimal insight for proponents. The IESO is proposing three qualitative outcomes of the Deliverability Test (i.e., Deliverable, Not Deliverable, Deliverable but Competing). The IESO does not intend to provide any quantitative guidance on deliverability for projects. Hydrostor recommends that the IESO consider testing various sizes in 50 MW increments to find the boundary condition of Deliverable and Not Deliverable for each project location. This process can provide proponents with an understanding of how best to size their project for proposal submission and how competitive they must be with other project proposals. Most importantly, this process will lead to more successful projects for the IESO to meet Ontario's capacity needs.

General Comments/Feedback

Hydrostor supports the IESO's consideration of a storage-specific contract design. Hydrostor recommends that the IESO should further consider separating the procurement into specific short-duration and long-duration tranches. Hydrostor believes that longer durations need to be appropriately recognized in the procurement given the strong benefits that duration brings to the system. Therefore, our recommendation would be that instead of rated criteria for duration, the IESO should break apart the energy storage procurement into multiple buckets related to the province's duration needs. This will ensure that the province procures the appropriate duration it requires rather than awarding points to each duration during the application process which may not be enough of an incentive to develop longer-duration projects.

If the IESO decides to move ahead with a rated criteria for long-duration: Hydrostor recommends due to the significant value provided by longer-duration projects, and the clear needs identified in the annual acquisition report, the IESO should consider giving projects which can provide 8+ hours of duration a higher score and greater differentiation between the scoring buckets.