

Feedback Form

Long-Term RFP – August 10, 2022

Feedback Provided by:

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Following the August 10th public webinar on the Long-Term RFP, the Independent Electricity System Operator (IESO) is seeking feedback from participants on: the LT1 RFP design and key updates presented in the meeting, Contract Design, Upgrades, and the Deliverability Test Guidance Document.

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

Please provide feedback by August 22, 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.

LT1 RFP Design and Key Updates

Topic	Feedback
<p>Please provide any general feedback on the LT1 RFP design and the key updates provided by IESO in the meeting.</p>	<p>More information regarding the bifurcated storage procurement target volume would help developers prepare for the RFPs to come. In addition, we generally support the storage specific design elements released by the IESO (e.g., storage specific contracts and credits for charging storage facilities).</p> <p>We wish to re-iterate the need for two indices: a first index from contract award to COD, and a second index from COD to contract termination. The IESO can select and sanctify specific public indices in both scenarios to standardize how cost risks are managed across projects, and to increase the transparency of how developers intend to manage risks—during the construction stage and then during the operating stage. Alternatively, developers would include such risks in their offer prices in varying manners.</p> <p>Finally, we recommend the IESO to continue maintaining two different sets of rated criteria for the Expedited and Long-Term 1 RFP. While minor adjustments can be necessary, developers have already committed resources and built financial models based on previously released rated criteria: combining two sets of different assumptions would undermine investor confidence and disrupt project planning.</p>

Proposed Contract Design

Topic	Feedback
<p>Please provide any feedback on the contract design and provisions proposed by the IESO.</p>	<p>We support the storage specific contract and the treatment of regulatory charges and state of charge.</p> <p>While we appreciate the IESO’s consideration for developing a revenue adjustment for energy market spreads, we think the structure proposed in the August 10th presentation is too complex and may be difficult to evaluate and to compare RFP proposals.</p> <p>Rather, we support CanREAs solution which is brilliantly simple and effective.</p>

Proposed Upgrades Process

Topic	Feedback
<p>Please provide any feedback on the proposed design and other considerations with respect to the Same Technology Upgrades procurement process.</p>	<p>While the eligibility requirement to be “dispatchable” is appropriate, “load following” is absolutely not acceptable. Load following is a service that none of the IESO resources are obligated to perform, and should not be considered a requirement in this procurement.</p> <p>The minimum 8-hours duration is also not acceptable for Same Technology Upgrades, while the RFPs (Expedited or LT1) have a minimum duration of 4-hours. It is inconsistent to impose a stricter eligibility for Same Technology Upgrades.</p> <p>Finally, the extension to 2035 option does not work for HCI contracts, which include and bundle Energy, Capacity and environmental attributes. What’s more, the Upgrade would represent a small proportion of the total assets under contract. The IESO should instead contract the upgraded portion of an existing facility separately under a \$/MW-month capacity payment until the existing facility's contract expires. After the existing contract expired, it would be acceptable to combine the two portions to form a new contract.</p>

Deliverability Test Guidance Document

Topic	Feedback
Please provide any feedback on the Deliverability Test Guidance Document and associated form.	In the latest Deliverability Test Input Data Form (dated Aug 18 2022), "nameplate capacity" has been replaced by "continuous rating" (see rows 26/27 in the Expedited Process tab). However, "continuous rating's" definition is unclear in the Deliverability Guidance document (also released Aug 18 2022). Please provide clarification as to how this value would be calculated.

General Comments/Feedback