

# Long-Term RFP Feedback – September 30, 2022

Feedback Provided by:

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Compass Renewable Energy Consulting Inc. (“Compass”) is pleased to submit this feedback to the IESO on the draft Expedited LT1 RFP, on behalf of Wahgoshig Solar FIT5 LP (“Wahgoshig Solar”).

Compass and Wahgoshig Solar appreciate the time and effort that the IESO has committed to consultation on the design of the Expedited Long-Term and Long-Term Capacity procurements. Further, the IESO has demonstrated that it is listening to stakeholders by incorporating changes to the design of these important procurements, targeting 3,500 MW collectively.

Feedback #1	Facilitating Diversity of Qualified Applicants by promoting Small Scale LT1 Projects
<p>One important change the IESO has made to these procurements is to facilitate participation of Small Scale LT1 (i.e. &gt;1 MW to &lt; 5 MW) projects into the Expedited Procurement. Small Scale LT1 projects provide several advantages to the electricity system including:</p> <ol style="list-style-type: none"><li>1) <b>Faster build times</b> – small scale projects are less complicated to design and build and can achieve commercial operation faster than Large Scale LT1 projects.</li><li>2) <b>Proximity to Load</b> – small scale projects are going to be much more likely to be connected to the distribution system than the transmission system and therefore located closer to load, reducing the need for transmission system upgrades and providing local power quality benefits.<sup>1</sup></li><li>3) <b>Lower line losses</b> – small scale projects located on the distribution system will reduce overall line losses as the power is more likely to be consumed near the project and not have to be transmitted over long distances, where there will be more losses.</li><li>4) <b>Improved reliability / Resiliency</b> – a portfolio of small-scale projects will have a lower risk of outages or suffering an N-1 event than a single large scale project.</li></ol> <p>In addition to these technical benefits, <b>Small Scale LT1 projects will facilitate more direct local investment that will benefit Ontarians.</b> Since becoming a Qualified Applicant, Wahgoshig Solar FIT5 LP, has been contacted by several community investment cooperatives with the financial capacity and</p>	

<sup>1</sup> National Renewable Energy Laboratory, *Greening the Grid*, <https://www.nrel.gov/docs/fy19osti/74426.pdf>

interest in investing in Small-Scale Battery Storage projects. The smaller capital requirements reduce the barriers that these types of organizations face in actively participating in the infrastructure renewal that is occurring in Ontario.

Currently the IESO has 38,096 MW of transmission connected capacity and 3,549.7 MW of distribution connected generation under contract. The contracted distribution connected generation represents over 9% of the transmission connected generation, but this does not account for any net metered solar or behind the meter natural gas installations.

**Based on the benefits to the electricity system and Ontarians, Compass and Wahgoshig Solar are recommending that 10% to 20% of the E-LT1 and LT-1 Total Procurement Target Capacity be set aside for Small Scale Projects or they risk to not be any Small-Scale Projects in the E-LT1 or LT1 procurements.**

**Feedback #2 E-LT1 draft RFP, PF: Community Engagement Requirements**

Section 2 of the Community Engagement Requirements PF - If the Project Site is not located in whole or in part on Indigenous Lands, how does the Propopent indicate that the delivery of notice of public community meeting to Indigenous Communities is not applicable? As per the instructions (k) "No" in any field is deemed to not have satisfied the requirement.

Section 2 of the Community Engagement Requirements PF states that a notice of public community meeting has been delivered to each adjacent land owner. As required evidence, is the IESO wanting to see all letters or emails addressed to each adjacent land owner? Or instead a template letter along with the list of adjacent land owners that the letter was sent to? The list would include adjacent landowner name, address, and date that the letter was sent.

The Prescribed Forms ask for a unique Project ID input for each Long-Term Reliability Project. Would the IESO provide Propopents the Project ID for each Projects as part of the output from the Deliverability Test?

**Feedback #3 E-LT1 draft RFP, section 2.1(f)(ii)**

Section 2.1(f)(ii) states that the community engagement plan must be continuously posted on the Project Website from at least 15 days prior to the public community meeting. Would one screenshot, including the date that is at least 15 days prior to the public community meeting, satisfy Exhibit A in the PF: "Community Engagement Requirements"?

**Feedback #4 E-LT1 draft RFP, section 4.3 (d)**

Where a Qualified Applicant secures a Municipal Support Confirmation by way of a Muncpal Support Confirmation Letter, can the IESO confirm if the Municipal Council is required to pass a resolution to provide the CAO with authority to issue the Municipal Support Confirmation Letter on behalf of the Municipality, or is a resolution only required if its another individual who is authorized to provide these Municipal Support Confirmation Letters?

**Feedback #5 E-LT1 draft Contract, section 2.13**

As per section 2.13(a) of the draft E-LT1 Contract, the MCIA formula only accounts for the portion of FCP that is to be adjusted (currently 50%). For greater clarity, can the IESO please provide a calculation for FCPdB, which includes the MCIA adjustment in section 2.13.

As per section 2.13(a) of the draft E-LT1 Contract, we recommend that the IESO follow other recent procurement's inflation adjustment mechanisms to remain competitive. We suggest IESO follows NYSERDA's Tier 1 procurement, where 75% of the Bid Price is adjusted by an index. Please find the inflation adjustment formula in Section 5.2.1 Inflation Risk Adjusted Bid Proposal of the pdf document "RESRFP22-1 - Renewable Energy Standard Purchase of New York Tier 1 Eligible Renewable Energy Certificates Summary", available at the link below

<https://www.nyseda.ny.gov/all-programs/clean-energy-standard/renewable-generators-and-developers/res-tier-one-eligibility/solicitations-for-long-term-contracts>

As per section 2.13(b) of the draft E-LT1 Contract, is the IESO open to the Supplier identifying a custom index or indices to apply in the MCIA calculation?