IESO Engagement

From: Fletcher, Mike

Sent: October 21, 2022 6:49 PM

To: IESO Engagement

Subject: Feedback re Oct 18 Expedited Long-Term RFP Q

Dear IESO LT RFP Engagement,

Thank you for holding the Webinar on October 18th. The City of Ottawa appreciates the IESO's efforts with extensive public engagement.

At this point in the engagement Ottawa notes concerns with the engagement which do no align with our community's community energy plan, Energy Evolution or our community's declaration of a climate emergency. In this context, Ottawa provides the following comments.

1. This procurement is now about capacity **and energy** procurement. At the October 18th webinar, the City of Ottawa asked if the requirement for gas generation would be dropped if all capacity procurement could be realized from storage and then a clear answer provided was that the IESO wants some resources which provide a net contribution of electrons to Ontario's bulk system. The City of Ottawa is stanchly of the view that a net flow of inflow of electrons, with a voltage unit value above zero, constitutes an inflow of energy into our province's bulk system. This is both an immutable law of physics and a is likely a key element of a practical planning definition.

This development is unfortunate from a couple perspectives. Firstly, this is a change from the discussions regarding the LT RFP procurements in the spring of this year, when in response to questions about carbon pricing by the City of Ottawa, assurances were made that this procurement would be about capacity and a subsequent energy procurement would follow where a discussion of carbon pricing would be more germane.

The City of Ottawa does recognize that situations do change and recognizes that forecasting and procuring electricity resources during this period of great change is an unprecedented challenge. We feel it is also unfortunate, however, in that municipal energy plans, such as Ottawa's Energy Evolution, which foresaw these energy needs were not given more credence in the forecasting process. Additionally, its notable that the City of Ottawa suggested an energy acquisition to the IESO in an area of high demand in the spring of this year and it appears that i) this advice is so far not being acted upon and ii) the IESO is scrambling for energy resources.

On a go forward basis, the City of Ottawa feels it would be constructive for the IESO to develop and publish working definitions of **capacity** and **energy** which relate to resources which feed the electrical system. Also, the City of Ottawa is open to discuss our energy and emissions model with IESO officials at any time.

- 2. Suggestions on procurement buckets. The IESO has suggested two buckets of i) 900 MW of storage and ii) 600 MW for hybrid systems, biomass generation and natural gas. To the extent that the City of Ottawa understands the need, we could suggest that carbon neutral biomass or hybrid systems should take priority and given the electricity demands of the energy transition, this procurement could be increased beyond 600MW. We understand that natural gas is only being selected if 600 MW of carbon neutral hybrid or biomass generation is not procured. Although we are disappointed that natural gas is in scope, we prefer the stacking of non-emitting resources before natural gas.
- 3. The procurement seems to consider biomass as being carbon neutral. The City of Ottawa accepts that many forms of biomass are indeed carbon neutral, however we are of the opinion that energy forestry, whereby virtually the entire stock from forest harvesting is used for energy production, is strongly carbon positive. We note a series of

<u>articles</u> in the National Observer by Barry Saxifrage and this recent article in <u>The Energy Mix</u>. We will also be providing this feedback to the Canada Infrastructure Bank as large part of their focus is GHG reduction.

4. Pricing cut-offs at 30-40% of bid averages. The City Of Ottawa concurs with the comment made that this could constrict smaller projects and encourages the IESO to consider the benefits of smaller projects to the distribution grid as well as the bulk system. Also, averages might be challenging when there are a small number of proponents but the City of Ottawa trusts that IESO can bring learned experience to this consideration.

We appreciate the opportunity to provide this input and wish the IESO success. We are happy continue this discussion as needs and interest arises.

Mike Fletcher (he/him) – Born at 320ppm Project Manager, Climate Change and Resiliency Unit Planning, Infrastructure and Economic Development Department

City of Ottawa, 110 Laurier Avenue West - 4th Floor, Ottawa, ON K1P 1J1

The City of Ottawa unanimously approved its community energy transition strategy, Energy Evolution, on October 28th, 2020.

Information on Energy Evolution can be found here

The City of Ottawa declared a climate emergency on April 24th, 2019.

Information on the climate crisis can be found here and here

Note: I work in the office Mondays and Tuesdays only and can only be reached on my cell on the ther days of the week