

Feedback Form

Long-Term RFP – March 28, 2023

Feedback Provided by:

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- Date: April 11, 2023
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- Following the March 28th public webinar on the Long-Term RFP (LT1 RFP), the Independent Electricity System Operator (IESO) is seeking feedback from participants on design of the LT1 RFP and LT1 Contract.
- The referenced presentation can be found on the [Long-Term RFP webpage](#).
- **Please provide feedback by April 11, 2023** 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 Lessons Learned from E-LT1 RFP

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| <p>E-LT1 RFP: Please provide any general feedback reflecting on your participation in the E-LT1 RFP as it relates to the upcoming LT1 RFP.</p> | <p>E-LT1 was effective given utility scale storage is a new technology, Ontario has a large engagement audience, and the timeline was compact. Knowing LT1 will follow a similar process, can the IESO propose a realistic schedule when the formal RFP document is issued and hold to these dates? The timeline between deliverability test results to proposal submission is of critical importance to developers.</p> |
| <p>LT1 RFP design: Please provide any feedback on the proposed Mandatory Requirement for Municipal Support.</p> | <p>E-LT1 was challenged with municipal elections occurring in October 2022. It was difficult to engage with municipalities in 2022 because of this.</p> <p>Municipalities, from our experience working in four jurisdictions, are seeking advanced development plans such as site development applications, rezoning amendment applications, and regulatory studies to seek input and the opinion from Staff before Councilors are willing to provide a positive Municipal Support Resolution. All of the required information to provide adequate comfort to Staff and Councilors is not achievable or reasonable to provide prior to proposal submission. Items such as technology selection, transmission interconnection design, stormwater management design, emergency response plan and fire mitigation, and its associated location are necessary to advance development; however, these items required detailed engineering and field studies which cannot be achieved prior to proposal submission.</p> <p>Municipalities are hesitant of providing support prior to proposal submission as it later reduces their ability to influence a project’s design and address public concerns. The Municipalities effective veto rights over a development limits the risk appetite of a project Proponent to conduct all the regulatory studies, engineering, and equipment selection, associated 12-24 month development period to obtain adequate project data and information to support a Municipal Support Resolution without certainty of a Contract award is an unreasonable risk exposure for developers.</p> |

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| | <p>Having Municipal Support Resolution be a requirement at proposal submission is not appropriate given the interplay with the deliverability test result timing. Municipalities will either spend a material amount of time assessing projects that cannot credibly determine their capacity until deliverability results are received or will be inundated with delegations in the month prior to proposal submission. This is not a fair ask for Municipalities and will create further frustration with limited engagement opportunity.</p> <p>An IESO specific consultation with numerous municipality CAO's, Major and Deputy Major's is recommended to solicit municipality feedback to improve the process.</p> <p>If municipal support resolution remains a requirement in LT1, would the IESO be amending the municipal support form to allowing municipalities to add conditions to a support resolution to ensure their needs are acknowledged and will be addressed during the development process?</p> |
| <p>LT1 RFP design: Please provide any feedback on the Rated Criteria Categories and Point Allocation.</p> | <p>Location – Once the system has been modelled following the E-LT1 announcement, posting the circuits and their associated points is beneficial. This sheet came out midway through E-LT1 and was very beneficial.</p> <p>Duration of service – specific to energy storage projects a majority of the participating projects in E-LT1 proposed a battery style technology with four hours of service. Current battery technology makes it commercially prohibitive to propose a BESS project greater than the minimum required duration of service. It appears this rated criteria within the energy storage segment only benefits alternative technologies and it does not appear there are any large scale developers that made those type of proposals in E-LT1. I would recommend removing this rated criteria for energy storage and provide guidelines on the minimum required duration of service.</p> |

Indigenous Community Participation

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| Please provide any feedback on the Rated Criteria for Indigenous Community Participation as contemplated in the E-LT1 RFP as it relates to the upcoming LT1 RFP. | The rated criteria as presented does not provide enough of an economic incentive to a project to overcome sharing the economic interest with an indigenous partner. To increase the number of proponents participating in an indigenous partnership the weighting to this category should be increased to incentive projects with partnerships. Additionally, up to half of benefit in this category, considering a 50% partnership will flow through to the indigenous partner. |

Proposed Contract Design: General Feedback

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| Please provide feedback on any contract provisions you wish to comment on. <i>Note: the commercial structure/ revenue model for the LT1 Contract will not be modified from that which was used under the E-LT1 Contract.</i> | MCIA remains a flawed mechanism and should include a foreign exchange component if the IESO is willing to engage on a change to the mechanism. Can a mechanism be adopted to account for foreign exchange and interest risks within the contract? |

General Comments/Feedback

- Deliverability test timeline – July 2023 does not seem realistic if E-LT1 contracts are not awarded until June 2023.
- Within the RFP document, can the IESO be prescriptive on limits to project locations and POI's if there are restrictions? If a proponent elects to connect to a specific circuit are there restrictions as to where specifically on the circuit a proponent plans to interconnect?
- If CIB is going to be a participant in this process, that needs to be made known at the time of RFP and contract release. To the extent possible, CIB should refrain from trying to join the process and be a participant after the RFP is released.
- Will there be any Market Rule protection in light of the upcoming Market Renewal Program?