

Feedback Form

Long-Term RFP – March 28, 2023

Feedback Provided by:

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Date: April 11, 2023

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

Topic	Feedback
<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>HONI setbacks still need to be clarified – as they pertain to the ELT1 outcomes as well as on an ongoing basis leading into the LT1 bid process.</p> <p>ITC timing and clarity around the labour provisions is something we are monitoring. The proposed timing of the bid deadline coincides with the timing we expect to have more clarity on the specifics of the ITC.</p> <p>Deliverability assessment process and timing continue to be of concern. See General comments section below for detail.</p> <p>We are supportive of a streamlined process that allows unsuccessful E-LT1 RFP projects to rebid in the LT1 RFP process.</p>

Topic	Feedback
<p>LT1 RFP design: Please provide any feedback on the proposed Mandatory Requirement for Municipal Support.</p>	<p>CanREA members understand the importance of municipal support for project development and are committed to ongoing community engagement.</p> <p>Obtaining the proper support resolutions from municipalities should continue to be included within the rated criteria for scoring in the bid evaluation process as it was in ELT1, including the option to obtain the mandatory resolution within twelve months of contract award.</p> <p>Ideally this will alleviate the burden on municipalities leading up to the bid period. In ELT1 we saw unnecessary constraints placed on municipalities faced with 20+ project proposals at the same time. In an effort to alleviate the pressure on municipalities, proponents should be afforded the same opportunity as was provided in ELT1 to obtain the mandatory resolution following contract award. The time period could be shortened from 18 months to 12 and there should also be consideration to include mutual termination rights within the contracts, tied to the ability to obtain the resolution within that timeframe so that the IESO and the proponent can expedite decisions on when to terminate the contract if a support resolution cannot be obtained.</p>
<p>LT1 RFP design: Please provide any feedback on the Rated Criteria Categories and Point Allocation.</p>	<p>Locational priority points – information and specifics on the IESO identification of optimal sites should be shared as early in the process as possible.</p> <p>Municipal Support Resolution – see section above re: inclusion within <u>the rated criteria</u> as in ELT1.</p> <p>Duration-should continue incenting/points for longer durations...if changes are being considered - industry should be consulted first!</p> <p>Consider including points/valuation for combined generation (from non-emitting) and storage.</p>

Indigenous Community Participation

Topic	Feedback
<p>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.</p>	<p>We are supportive of Indigenous community participation in energy infrastructure projects. No concerns stemming from ELT1 considerations other than around the timing of the final agreements needing to be in place.</p>

Proposed Contract Design: General Feedback

Topic	Feedback
<p>Please provide feedback on any contract provisions you wish to comment on.</p> <p><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></p>	<p>Municipal Support Resolution – Please see section above re: mutual termination rights relate to obtaining the resolution</p> <p>Indexation concerns remain- Exchange rate and interest rate volatility were not sufficiently accounted for in the ELT1 - can this be further consulted on for LT1? Price impacts will vary.</p> <p>Market Rule Protections need to be clarified early on. More consultation and clarity is required here. The uncertainties of MRP and the impact on pricing are outstanding issues.</p> <p>The current LT1 contract framework may require changes to enable the participation of new-build hybrid resources into the IAM pre and post MRP. Certain changes may be necessary related to the must-offer provisions, capacity check test protocol, etc. Our understanding is that existing asset hybrids are ineligible in LT1 (i.e., adding batteries to existing non-emitting generators). Were they eligible, the LT1 capacity contract would also need to work alongside whatever existing contract a non-emitting generator has in place to deliver energy.</p>

General Comments/Feedback

Deliverability Assessment:

The proposed new timing between the Deliverability Assessment and Proposal Submission dates is too short. CanREA recommends at least 60 days. The current 30 day window may create challenges in final project development requirements i.e., engagement with Indigenous partners and municipalities for support resolutions require specific details like project size and location that can only be confirmed upon outcome of deliverability assessment; Financing – letter of credit takes 2-3 weeks plus time for the internal approvals that follow deliverability assessment outcomes, etc.

CanREA appreciates the opportunity to engage on the design of the next round of procurement in Ontario. We would like to emphasize the importance of continuing consultation with our industry beyond this form and hope that the IESO will post responses from this engagement.

CanREA will continue to engage with the IESO and other stakeholders on solutions to Ontario's supply needs. We encourage the IESO to provide clarity around what we can expect in procurements subsequent to LT1 (LT2 etc) particularly as it pertains to publishing details related to the timing of LT2 or subsequent recontracting and repowering options for existing assets and finally, resource eligibility for procurement of new build supply.