

Feedback Form

Long-Term RFP – March 28, 2023

Feedback Provided by:

Name: David Thornton

Title: Director, Regulatory and Public Affairs

Organization: EDF Renewables Canada Inc.

Email: [REDACTED]

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><u>HONI Setbacks</u> - EDF Renewables strongly encourages the IESO to convene a series of meetings with HONI management (e.g. share best practices, reflect HONI rules into the RFP) in advance of LT1 RFP to resolve all uncertainty involving 'setbacks' for BESS projects in Ontario. The uncertainty is causing significant delays in permitting and challenges for community and municipal engagement.</p> <p><u>Deliverability Assessment</u> - Deliverability assessment and the timing between the Deliverability Assessment and Proposal Submission is too short. EDF Renewables agrees with CanREA and recommends at least 60 days to run the assessment the Proposal Submission Date. The 30-day window is far too short for development activities to take place (i.e., indigenous equity agreements, municipal council support, siting, etc.) as well as securing various approvals for financing.</p> <p><u>IESO Engagement</u> – EDF Renewables tried to participate in as many RFP and contract engagements as possible in 2022. Upon reflection, the E-LT1 engagement process was extensive (i.e., every 3-4 weeks); yet, sometime the webinar were very broad, and/or materials not shared in advance, making it difficult to convene internal subject-matter experts; and, in some cases, it was difficult to understand when a decision was final, or how and why a decision was made. As the IESO continues to engage on these very important topics, EDF Renewables encourages IESO to lay out the areas that should be reviewed; create an engagement plan on each 'topic of interest'; and set clear dates when a decision will be made.</p> <p><u>Canada Infrastructure Bank (CIB)</u> – For LT1, the current CIB option should be removed for LT1. If the CIB is to be included, the integration of the CIB product into the competition should be made as clear, and as early as possible.</p>

Topic	Feedback
<p>LT1 RFP design: Please provide any feedback on the proposed Mandatory Requirement for Municipal Support.</p>	<p>EDF Renewables has been building renewable project in Canada, and in Ontario, for over 15 years, and we have integrated into our project planning a sustained and responsive municipal and community engagement strategy. We worked very hard to size and site projects close to available transmission in supportive communities.</p> <p>In E-LT1, EDF Renewables had concerns that too many Project Proposals were submitted to some municipal councils in a way that added undue concern and pressure onto municipal councils within a procurement process that was new to council, and moving too quickly. This led some councils to reject good projects. If council is given more time to consider the local constraints (i.e., transmission) and understand the RFP process (i.e., evaluated criteria), most councils would have been able to understand how to orient their planning and approval process accordingly and work with their constituents on public education.</p> <p>We recommend the IESO use the Rated Criteria mechanism in the RFP design and evaluation process i.e., evaluated criteria, a very high bar for Project Proponents to demonstrate municipal support via community support resolutions. In addition, we strongly suggest that the number of points in the rated criteria for municipal support be significant and meaningful.</p> <p>Looking ahead to Ontario’s electricity needs and aspirations of a net-zero grid, there should be significant concern that municipal councils are given a veto over critical provincial infrastructure. Using the Rated Criteria mechanism is a way to work with communities and councils, yet also ensure Ontario builds the necessary infrastructure.</p>

Topic	Feedback
<p>LT1 RFP design: Please provide any feedback on the Rated Criteria Categories and Point Allocation.</p>	<p>EDF Renewables encourages the IESO to reconsider the current point system, as the overall impact of the points on the Evaluated Bid Price was not significant to separate out the project attributes from the competition.</p> <ul style="list-style-type: none"> • <u>Municipal Support</u> – much higher, as outlined above, perhaps consider points for different levels of support (i.e. LRP) • <u>Locational Points</u> – much higher, Tier the areas of the province where capacity is needed • <u>Indigenous Equity</u> – keep the % ranges, yet increase the points per category <p>Whatever changes the IESO may be made to the Criteria Points, EDF Renewables encourages IESO to stakeholder and finalize any changes before summer months to allow project development to seek out those project attributes.</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>As mentioned above, EDF Renewables generally supports the % ranges to allow our Indigenous partners to maintain some optionality on the level of equity they would like to take in a Project. However, we feel that the weight / points allocated to each range should be increased.</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><u>Market Rule Protection</u> - EDF Renewables has been consistent that the E-LT1 contract did not provide commercially reasonable market rule protections. IESO did offer a 15% cap on lost revenue re: Fixed Capacity Payment, in the event of unforeseen market rule changes. While the IESO will likely award and project may get some financing, this rule did increase bid prices. The proponent has no control over market rule changes and the Market Renewal Program is still uncertain – this risk must be included in the bid price. If the IESO wanted to get the most competitive price, the LT1 Market Rule protections should be reviewed, and the primary consideration would be to remove the hard cap.</p> <p><u>Materials Cost Index Adjustment (MCIA)</u> – EDF Renewables was a strong advocate for including some form of price adjustment mechanism in the E-LT1 and attempted at various points of the engagement in re-design the indexation provision. EDF Renewables across the US are seeing price adjustment mechanisms in all RFPs. IESO, following it’s review on how many Proponents used the MCIA, should open a discission to consider alternate price adjustment mechanisms to consider in LT1.</p> <p><u>Contractual Flexibility</u> – EDF Renewables understood the E-RFP needed to assure no attrition to maintain reliability, therefore limited. LT1 is a much larger RFP. EDF Renewables is still very concerned that unreasonable risks are being placed onto bidders outside of the proponent’s control i.e., capped market rule protections, limited price adjustment mechanism, unknown interconnection costs and timelines (LDCs, approval authorities), etc. We table these comments without a clear suggestion, but shared in the hopes the IESO can consider some reasonable ways to limits some uncontrollable counterparty risks.</p>

General Comments/Feedback