

Feedback Form

Long-Term RFP – May 4, 2023

Feedback Provided by:

Name: Emma Coyle

Title: Director, Regulatory & Environmental Policy

Organization: Capital Power Corporation (Capital Power)

Email: [REDACTED]

Date: May 20, 2023

Following the May 4th 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 May 18, 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.

Areas of Feedback:

Topic	Feedback
<p>The revised proposed procurement timeline presented on May 4, with regards to changes to the schedule of the Deliverability Test process.</p>	<p>Capital Power supports the IESO's efforts to move expeditiously to advance the LT1 procurement, including the Deliverability Test process. We also agree that proponents who have a project in the E-LT1 Category 2 process should be able to submit the same project to the IESO's LT1 Deliverability Test process. The IESO has noted that the Deliverability Test process for LT1 will seek to account for concurrent participation in the LT1 process and the Category 2-ELT1 process. In Capital Power's view, this accounting should include an explicit carve-out for E-LT1 Category 2 projects from a proponent's LT1 project limit, currently understood to be 10 projects per proponent.</p>
<p>The proposed broadened definition of an Eligible Expansion facility, which gives the optionality of connecting to a separate connection point as long as the new resource remains within the boundaries of the existing site.</p>	<p>Capital Power supports broadening the definition of an Eligible Expansion Facility as described at the May 4, 2023, engagement session.</p>
<p>The removal of locational Rated Criteria points due to a provincial wide Capacity need within the timeframe of the LT1 RFP.</p>	<p>If the IESO has determined that there is no benefit to incentivizing projects in specific locations, the decision to remove locational Rated Criteria points should be made and communicated to stakeholders as soon as possible. Proponents and stakeholders rely on IESO understand system requirements, including locational resource requirements. If the IESO has determined locational Rated Criteria to be irrelevant or immaterial to solving the province-wide Capacity need, then it is only reasonable that it be removed from the list of Rated Criteria. Prompt communication of the decision to remove location from consideration in the bid evaluation process will help proponents looking to focus their efforts on developing the most competitive projects for the LT1 RFP.</p>

Other or General Comments/Feedback:

Topic	Feedback
Community/Indigenous Engagement Requirements	Capital Power has no comments at this time.
Market Rule Changes	<p>The benefit of long-term supply agreements stems from the efficient and commercial allocation of risk between supplier and buyer. This benefit is eroded if the buyer has the authority to design and implement market rules that can directly impact project economics and commercial risk assumed by the supplier. To date, the IESO has not provided an explanation as to why it considers market rule change protection to be inappropriate in the context of long-term supply agreements where (i) the IESO is the buyer (ii) the IESO has expressed its preference for contracts to incentivize efficient and competitive operation in the IESO-administered market (IAM), and (iii) the IESO continues to have broad authority to make and implement changes to market rules that can materially impact supplier operations and competitiveness in the IAM.</p> <p>We support the IESO's openness with respect to this issue, and support the inclusion of tailored compensation and relief provisions tied to future IESO Market Rule changes that result in harm to the supplier's position under the contract.</p>
Proposal and Group Awards	Capital Power has no comments at this time
Duration Criteria	Given that the LT1 RFP is procuring capacity, Capital Power supports adopting the E-LT1 Duration Criteria for the LT1 RFP.
Inclusion or changes to MCAI and FSAF	Capital Power does not support including the MCAI or FSAF mechanisms in the LT1 contract. Our views on this issue have been set out in previous submissions. If the MCAI/FSAF are included in LT1, they should remain optional for proponents.
CIB/ITC Treatment	Capital Power has no comments at this time

