Feedback Form

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Long-Term RFP – May 4, 2023

Feedback Provided by:

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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
The revised proposed procurement timeline presented on May 4, with regards to changes to the schedule of the Deliverability Test process.	Energy Storage Canada (ESC) thanks the IESO for the opportunity to comment on the Long-Term 1 RFP (LT1). The updated timelines are practical but present several issues for storage projects under development. There are roughly six months between the publication of Draft LT1 RFP and Contract, and proposal submission. Half of that time is occupied by the IESO performing their Preliminary Deliverability Test. While proponents can continue to develop their projects during that time, there is significant uncertainty given the extreme limitations that outcomes of the deliverability test can have on project success. Until a deliverability test assessment, connection points and project sizes cannot be developed and priced. **ESC believes the IESO should seek further adjustments and simplifications to accelerate the Preliminary Deliverability Test.** Potential solutions could include identifying specific connection points that are known to be Not Deliverable and Deliverable (i.e., Red and Green zones under previous IESO procurements). The IESO has provided 10 business days to comment on draft LT1 RFP and Contract provisions. ESC believes this is too short a time to provide detailed and thoughtful comments and solutions to any issues flagged by proponents. **ESC strongly recommends that the IESO provide 20 business days to provide feedback on the draft LT1 RFP and Contract.**

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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.	ESC appreciates the additions to the definition of Eligible Expansion. Many of the contracts for existing resources in Ontario retain the right for the IESO to approve any Material Changes to project site or design. ESC is concerned about the uncertainty if an existing Project Site is used for an expansion where the IESO contract management group may not approve the expansion. **ESC requests that the IESO guarantee that changes to existing Project Sites for participation in the LT1 will be automatically approved by IESO assuming no impact to energy production and delivery of the existing site from a physical and settlement viewpoint.** This would provide confidence that changes to existing Project Sites will not risk existing project revenues.

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The removal of locational Rated Criteria points due to a provincial wide Capacity need within the timeframe of the LT1 RFP.	ESC notes that the IESO Deliverability Test Guidance document clearly shows that the LT1 RFP is not a provincial wide capacity call, but a southern Ontario capacity call. The Northwest and Northeast are essentially off limits because those areas are not able to deliver energy to southern Ontario during summer peak demand hours. The IESO has forecasted significant demand growth in both of those zones and in many cases has recommended exploring non-wires solutions for some locations (e.g., Kenora TS). The IESO must address this disconnect, particularly in areas that are restricting the connection of large load customers (e.g., Sault Ste Marie). Further, the not deliverable assessment is focused on 2027 but has not considered the long-term capacity value of these northern resources. **ESC recommends that the IESO consider minor allotments of capacity in the northern area to reflect the value of the capacity over the life of the contract, particularly if the storage resources offer lowest cost solutions. In addition**, **ESC strongly recommends the IESO begin developing a regional capacity procurement path for these regions to meet long-term system needs.** Ontario's hybrid market requires long-term contracts or rate-regulated funding to support investment in new resources in the province.

Other or General Comments/Feedback:

During the Hydro One portion of the LT1, Hydro One stated that connection impact assessments can reveal issues with interconnection points that cannot be determined until a detailed analysis has been completed. In many cases, changes to the point of interconnection may be needed for both the proponent and for Hydro One operations. Specifically, changes to the point of interconnection can speed up connection timelines by avoiding unnecessary complex connection arrangements. Optimization of the project and the existing transmission/distribution system is a natural process in the development, construction and interconnection of a new resource. **The LT1 Contract should reflect this natural process and provide reasonable support for changes recommended by the transmitter or distributor to point of interconnections.** In particular, IESO has stated that no change to Point of Interconnection (POI) can be made due to Deliverability Test results. This hard restriction is illogical and does not reflect prudent development or support for the target COD timelines for LT1 projects**. ESC recommends the LT1 Contract retain the ability to adjust points of interconnection based on recommendations from the connection authority (i.e., IESO SIA**

or Transmitter CIA or Distributor CIA). The ability to adjust the point of interconnection could include appropriate safeguard for Deliverability by allowing the previous Deliverability model to be used to assess the point of connection change or allow a reasonability assessment by the IESO. Further to that point, the GPS coordinate tie can be very specific when shifts of connection point from one tower to another would have no impact on deliverability and should be allowed if there are prudent reasons to do so.

Related to interconnections, the IESO has identified short-circuit limitations as a reason a project may receive a "Not Deliverable". Given the hundreds of millions of dollars of investment that is required for these projects to provide capacity to the province over 20 years, **the IESO should be offering a path for proponents to fund the upgrade of short-circuit limits as part of their bid process.** In many cases, particularly under a 1,600 MW procurement target, short-circuit limit upgrades at cost-effective sites may be less money than pursuing more costly sites.

Further related to interconnections, determining a point of interconnection and managing the best three requests for deliverability test assessment of a project is severely handicapped in Ontario. Proponents must work with incomplete data and analysis since there is no central data repository to access transmission network maps and system layouts. Instead, proponents are left piecing together a view of the Ontario network using sporadic and outdated information. This means the IESO is receiving subpar bid and deliverability test requests. **The IESO should immediately begin instituting a Critical Energy Infrastructure Information (CEII) process to allow qualified applicants the ability to access the information needed to develop projects.** This is important beyond the LT1 procurement and is required for the multitude of resources that Ontario will need to develop over the next decade. **For the LT1 procurement, the ESC strongly recommends that the IESO establish an ad hoc process for qualified applicants to receive a regional transmission map for their projects to assist in determining a point of interconnection before the deliverability test submissions.**