Feedback Form

Long-Term RFP – June 29, 2023

Feedback Provided by:

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Following the June 29th 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 July 13, 2023 to engagement@ieso.ca.

Please use subject header: *Long-Term RFP*. To promote transparency, this feedback will be posted on the <u>Long-Term RFP webpage</u> 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.



Revised COD of May 1, 2028

| Topic | Feedback |
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| Are Proponents supportive of the revised COD date and the introduction of Capacity payment multipliers for early operation? | Yes, we are supportive of the IESOs decision to extend the COD while incentivizing early operations. |
| | Even with the extended COD the timeline between contract award and COD will still require projects to move quickly through the permitting and construction phases. As such, we would encourage the IESO to continue to work with the relevant permitting and approvals bodies (including the IESO SIA team) to ensure that projects can move through approvals as expeditiously as possible. |

Revised procurement targets

Topic Feedback

Are Proponents supportive of the revised LT1 procurement targets on slide 15, which has increased the overall procurement target from 2,200MW to 2,505MW? This enables unused MWs in the Non-Storage Category from the E-LT1 RFP to the Non-Storage Category in the LT1 RFP. The IESO continues to reserve the right to accept the marginal bid above the Storage Category procurement target.

We believe it is important for the IESO to achieve its stated procurement targets to ensure system reliability while also ensuring the IESO is procuring the most cost competitive projects. As such, we are supportive of the concept of procuring the E-LT1 remainder MW through the LT1 RFP. However, given the price results of the E-LT1 RFP, we would encourage the IESO to not limit the technology stream from which these E-LT1 remainder MW can

be procured from.

E-LT1 has shown that storage is more cost competitive compared to gas and as such in order to keep system costs competitive the 305MW and 18MW remainders from the E-LT1 Non-Storage and Storage targets, respectively, should be procured from the most cost-effective resource pool. We would suggest maintaining the original LT1 Storage and Non-Storage targets and adding a third target for the E-LT1 Remainder, then the marginal bids after the LT1 Storage and Non-Storage targets have been met should be compared to procure the most cost effective marginal bid from either category.

Changes to Rated Criteria

LT1 RFP 29/June/2023 2

| Topic | Feedback |
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Are Proponents supportive of the revised Rated Criteria approach as laid out on slides 20 and 21? This includes the removal of the duration of service as a Rated Criteria and setting minimum duration requirements as a Mandatory Criteria for Storage Category and Non-Storage Category resources.

Remaining Rated Criteria include: Local Governing Body Support, and Indigenous Participation.

We are supportive of the IESO using the learning from E-LT1 to evolve the LT1 RFP.

Given the mandatory requirement for projects to obtain Local Governing Body Support within 18 months of contract award, we see a pre-RFP submission municipal support resolution as a major signal of a de-risked project. Given the substantially decreased level of risk a pre-RFP submission municipal support resolution provides, we would encourage the IESO to maintain the E-LT1 evaluation criteria weighting of 0.3 to ensure that the IESO is selecting the least risky projects.

Additionally, we commend the IESO for introducing a mechanism to incentivizing local Indigenous participation with the introduction of one (1) additional rated criterion point for projects with a local Indigenous economic interest. We would encourage the IESO to further incentivize local Indigenous economic interest by increasing this to two (2) additional rated criteria points for projects with local Indigenous economic interest.

Finally, while we understand the IESO considers locational rated criteria to be a closed item for the LT1-RFP we would encourage the IESO to include location criteria points in future procurement design.

Inclusion of the MCIA in the LT1 RFP

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| Are Proponents supportive of continuing to include MCIA options in the LT1 RFP? | Yes, we are supportive of continuing to offer MCIA options in the LT1 RFP. |

Changes to Proponent Group Award Limit

LT1 RFP 29/June/2023 3

| Topic | Feedback |
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| Are Proponents supportive of increasing the Group Award Limit for Storage Category resources from 600 MW to 900 MW? | |
| Additionally, the IESO invites Proponents to provide Group Award Limit feedback with regards to the Non-Storage Category. | |

Other or General Comments/Feedback:

LT1 RFP 29/June/2023 4