Feedback Form

Long-Term RFP – June 29, 2023

Feedback Provided by:

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Date: July 13, 2023

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

Торіс	Feedback
Are Proponents supportive of the revised COD date and the introduction of Capacity payment multipliers for early operation?	Yes, SWEB is supportive of the revised COD date and the introduction of Capacity payment multipliers for early operation.

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.	Yes, SWEB is supportive of the revised LT1 procurement targets on slide 15, which has increased the overall procurement target from 2,200MW to 2,505MW. However, to avoid favoring natural gas projects, which will further the GHG emissions in the province, SWEB recommends that there is a carve out for other fuel types as part of the Non-Storage Category.

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Changes to Rated Criteria

Topic

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.

Feedback

SWEB agrees with CanREA's feedback in regard to the Indigenous Participation Rated Criteria. The IESO should modify the Indigenous Participation points to provide a more progressive award.

While there is a benefit to having Local Governing Body Support, SWEB is concerned about local governing bodies who are considering withholding their support until after the LT1 RFP awards have been released. SWEB suggests that the available points for this rated criterion be reduced from 3 to 1. If Proponents can secure local governing body support prior to the RFP, then only 1 point should be awarded. This reduces the strain on developers that would be unduly penalized during the evaluation of the proposal price simply because they are located in an area where the local governing body intends to withhold their support until after the RFP award.

SWEB agrees with the amendment of the minimum duration requirements from a Rated Criteria to a Mandatory Criteria.

However, SWEB has concerns in regard to the length of the Non-Storage Category minimum duration. The IESO has increase the minimum duration from 4 hours to 8 hours for Non-Storage Category projects. The new 8 hour mandatory minimum duration now puts an additional strain on the Non-Storage Category projects which were planning with the previous 4 hour minimum duration. Furthermore, this longer minimum duration greatly favours certain fuel sources over others and in turn counters the IESO's "fuel agnostic" approach.

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Inclusion of the MCIA in the LT1 RFP

Торіс	Feedback
Are Proponents supportive of continuing to include MCIA options in the LT1 RFP?	Yes, SWEB is supportive of continuing to include MCIA options in the LT1 RFP

Changes to Proponent Group Award Limit

Торіс	Feedback
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.	Increasing the Group Award Limit could further limit the number of different proponents that the IESO can engage with. The IESO has previously indicated that they wish to have a diverse range of energy providers / resources to contribute to the LT1 RFP.

Other or General Comments/Feedback:

SWEB would like to acknowledge the effort the IESO team has put into drafting the documents and commends the IESO on its engagement with the public and Qualified Applicants. In addition to the comments above, we have the following feedback:

Access to Information: there needs to be better access to system availability information or optimal connection points from the IESO and Hydro One. SWEB is finding contradictions between the IESO and Hydro One based on the pre-consultation meetings SWEB had with Hydro One prior to submission of projects into the Deliverability test. SWEB requests that the IESO work more diligently with Hydro One to release additional information about system capacity, as well as any other helpful information that could help developers situate their projects in locations that can be delivered.

Costs: Proponents have been informed by the IESO that they cannot go forward with the SIAs and CIAs prior to the RFP. However, this creates an informational gap in proponents' bids as they do not have a proper estimate for costs to interconnection. This could lead to project abandonment due to underestimation; or to less competitive projects and unknowingly increased higher prices due to overestimation. SWEB recommends that the IESO should include a mechanism to adjust contract pricing based on connection costs that were not estimated correctly.

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