

Feedback Form

Resource Adequacy Engagement webinar – November 18, 2020

Feedback Provided by:

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Following the November 18, 2020 Resource Adequacy engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the following items discussed during the webinar. Background information related to these feedback requests can be found in the presentation, which can be accessed from the [engagement web page](#).

Please submit feedback to engagement@ieso.ca by December 9, 2020. If you wish to provide confidential feedback, please submit as a separate document, marked "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

Feedback on Key Resource Adequacy Discussion Areas

Topic	Feedback
<p>Will the key discussion areas proposed cover the major areas that need to be discussed with stakeholders to develop and operationalize the framework? Are there any major areas missing?</p>	<p>Thank you for the opportunity to provide input. The OWA is pleased to see the improvements made to the High Level Framework as a result of initial stakeholder advice. We remain concerned, however, that the vast majority of the IESO's proposal is focused on Auctions and RFPs/Contracts, when there were in fact five (5) "lanes" of potential investment identified. Again, the OWA strongly recommends that efforts and resources be dedicated to each of these areas moving into the next stage of more detailed stakeholder engagement. Having received some assurance from IESO staff following the September engagement that two key areas of direct relevance to waterpower would be captured, I am concerned that they appear to be under-represented in the proposed focus of more detailed design. To re-iterate from our previous submission, two additional streams must be incorporated into the more detailed discussions scheduled to begin in Q1, 2021:</p> <p>Programs Investments in assets, resources and businesses that can meet both electricity and non-electricity objectives.</p> <p>The example initially given was "energy efficiency", but presumably this theme could also include "small hydro" (e.g. HCI Program), for which there is no obvious place in the market-focused design. Similarly, concepts such as Net-Metering, Indigenous/Community Economic Development or the creation of Load Serving Entities may fit within this stream. Much more detail is required regarding the IESO's intent and considerable stakeholder engagement will be required to develop the boundaries of this component.</p> <p>Government Policy Nuclear and large-scale hydro resources are based on long-term strategic views that capture more than just the forecasted electricity needs.</p> <p>While the description is appropriate, Nuclear and large-scale hydro are but two examples of resources based on "long-term strategic views". The development of community based small hydro in remote First Nation Communities would be another, as may be certain transmission projects.</p> <p>While there is some reference to the <i>role</i> of government and regulatory Policy on Slide 25, it will be important to thoroughly flesh out what this means in the context of resource acquisition and re-acquisition.</p>

Topic	Feedback
Are there key discussion areas that should be prioritized or discussed before others?	Because of linkages and the inter-connectivity of most areas, components, and features within the Framework, many of the discussion areas need to take place in parallel and therefore cannot be easily prioritized, ordered, or ranked. The OWA expects to be actively involved in each of the four (4) Discussion Areas proposed. It would be helpful to understand how the IESO intends to knit these areas together with stakeholder input. As we have seen in a number of other IESO engagements (e.g. Market Renewal streams) the whole is often as important as the discrete elements that are specific areas of focus. It would also be helpful for the IESO clearly articulate the timelines for the completion of engagement in each of the areas, the expectations for stakeholder participation and the decision making process for the outcome(s).

General Comments/Feedback

The OWA is pleased to see that the IESO has identified “Transition” as one of the key themes as one of the four (4) proposed discussion areas. Slide 12 of the November 18 presentation (which includes the only reference to “Programs”) is a helpful representation of the generic approach to transition. There are more than one hundred (100) existing contracts for waterpower facilities that are scheduled to expire within the next ten (10) years (e.g. HCI, RESOP, HESOP). As owners and operators of long lifespan assets with 20-30 year capital plans, waterpower proponents need to know well in advance (preferably in 2021) what mechanisms will be in place to support ongoing investment.

As noted in our earlier submission, Slide 27 of the IESO’s September presentation outlines the proposed timelines for the implementation of (three of five) mechanisms to satisfy resource adequacy requirements the emerge by 2028. Against this consider the generic (an in some instances aggressive) development timelines for waterpower (Upgrades/Efficiency Increases, Retrofits/Redevelopments, Greenfield). It is apparent that only medium to long term measures will support new waterpower investment, underscoring the value, in the short to medium term, of reacquiring existing assets and extending their ongoing contribution to resource adequacy.

The OWA looks forward to continuing to actively participate in this important initiative.

Thank you for the opportunity to comment.