

Feedback Form

Resource Adequacy webinar – March 22, 2021

Feedback Provided by:

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Following the March 22, 2021 Resource Adequacy engagement webinar, the Independent Electricity System Operator (IESO) is welcoming feedback from stakeholders on the items discussed during the webinar. The webinar presentation and recording can be accessed from the [engagement web page](#).

Please submit feedback to engagement@ieso.ca by April 14, 2021. 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.

General Comments/Feedback

Thank you for the opportunity to provide additional input and advice to the development and implementation of the IESO's Resource Adequacy Framework.

The OWA remains concerned that the framework, as currently proposed, will not support either ongoing investment in Ontario's 224 hydroelectric facilities or new investment to expand waterpower's contribution to emergent energy and capacity needs. The IESO's singular focus on acquiring or re-acquiring resources with short term commitments (I note that the IESO is recommending that the mid-term RFP commitment should be for a period of three (3) years) is fundamentally inconsistent with the long lifespan and long capital investment lead times that define hydroelectric assets – which currently contribute one quarter of Ontario's energy, capacity and peak supply.

As we have advocated from the outset, the IESO should be taking a "Made in Ontario" approach to the question of Resource Adequacy, explicitly considerate of the unique supply resource mix we have in the province. The fact that the IESO has suggested that no work is to be undertaken on the "Long Term" leg of the Resource Adequacy stool in 2021 is a further indication of the failure to recognize the value of securing hydroelectric assets that could produce reliable, affordable electricity for decades to come. Put simply, the longer the commitment to these assets, the better the value to ratepayers.

In addition, I remain concerned that the emphasis of the initiative appears to continue to be primarily focused on dispatchable market participant assets, despite that fact that in Ontario, more than sixty percent (60%) of the hydroelectric fleet is connected to the distribution system – the vast majority of which have Power Purchase Agreements that expire in the near term. I emphasize again that investment decisions (or deferrals) are being made *today* for these assets, premised on the clarity (or opacity) of the line of sight for certainty in the future.

Finally, when the Resource Adequacy concept was first presented to stakeholders in 2020, it included recognition of the probability of "programs" as a component of the overall framework. Given the apparent limitations of the current proposals with respect to waterpower, I would propose that discussion begin as soon as possible on supplemental and complimentary acquisition mechanisms as may be enabled through such programs.