

# Feedback Form

## Resource Adequacy – August 26, 2021

### Feedback Provided by:

Name: Dominic Lemieux

Title: Plant Manager

Organization: Atlantic Power

Email: [REDACTED]

Date: September 17, 2021

To promote transparency, feedback submitted will be posted on the Resource Adequacy webpage unless otherwise requested by the sender.

Following the August 26, 2021 Resource Adequacy webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the following discussed items. 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](mailto:engagement@ieso.ca) by September 17, 2021.** If you wish to provide confidential feedback, please mark the document "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

## Capacity Auction – Review of Performance Obligations and Assessment Framework Recommendations

Topic	Feedback
What questions or feedback do you have on Proposed Change #1 – <b>Test to Capability for All Resources</b>	Atlantic Power supports a change that would assess all resource types against their tested capability.
What questions or feedback do you have on Proposed Change #2 – <b>Changes to Thresholds</b>	Atlantic Power supports a more equitable threshold application, but more information is required on why all resources cannot use the same threshold.
What questions or feedback do you have on Proposed Change #3 – <b>Future De-Rates</b>	Click or tap here to enter text.
What questions or feedback do you have on Proposed Change #4 – <b>Common Notification</b>	Click or tap here to enter text.
What questions or feedback do you have on Proposed Change #5 – <b>Incenting Performance at the Right Time</b>	Click or tap here to enter text.
What questions or feedback do you have on Proposed Change #6 – <b>Availability Assessment True-Up</b>	Click or tap here to enter text.
General comments and feedback	Click or tap here to enter text.

## Medium-Term RFP

Topic	Feedback
What questions or feedback do you have on the Medium-Term RFP proposed design consideration on <b>Contractual Considerations</b>	Click or tap here to enter text.

Topic	Feedback
<p>What questions or feedback do you have on the Medium-Term RFP proposed design consideration on <b>Resource Eligibility</b></p>	<p>We support the limited scope eligibility for this procurement, given the need for capacity certainty and reliability needs that arise in 2026.</p>
<p>What questions or feedback do you have on the Medium-Term RFP proposed design consideration on <b>Proposal Evaluation</b></p>	<p>We would caution the IESO on the use of rated criteria in its evaluation process. This procurement is exclusively targeting existing assets and, as currently designed, offers a very limited term over which to recover any investments. This means that the operating characteristics that will be assessed in the evaluation are already largely fixed for these facilities. If the IESO wants to procure a specific product, it should do so by designing a program that encourages (and enables) generators to make the appropriate investments to evolve their facilities and recover those costs from the market. A failure to do so will simply risk plant closures at a time the system needs new capacity, without the benefit of comparing the value of such facilities to alternatives, such as any possible replacement capacity.</p>
<p>What questions or feedback do you have on the Medium-Term RFP proposed design consideration on <b>Contract Expiry and Bridging</b></p>	<p>For facilities whose contract expires in the near term and are successful in the RFP, there remains a high degree of revenue uncertainty in the interim years. This lack of certainty of any revenue at all leading up to the term start date, with no ability to recover any loss, is an unrealistic structure. Because the RFP is only allowing existing facilities to participate, why not simply offer a contract term that starts at the time of the current contract expiry and extends until 2029? This structure would ensure the facilities remain available to the market in 2026 when needed.</p>
<p>What questions or feedback do you have on the Medium-Term RFP proposed <b>Timelines and Milestones</b></p>	<p>Click or tap here to enter text.</p>
<p>What questions or feedback do you have on the Medium-Term RFP <b>UCAP approach</b> outlined in the presentation materials</p>	<p>Click or tap here to enter text.</p>

Topic	Feedback
What areas of the draft RFP and Contract do you want to see more details on in the September engagement session, ahead of the issuance of draft documents?	Click or tap here to enter text.
Do you have a resource that is eligible, or may be eligible, to participate? If so, please provide feedback specific to your resource based on the proposed design considerations. Please indicate if you would like to meet with the IESO to discuss eligibility or any other aspects of the Medium-Term RFP.	We have a resource that would be eligible and could be available to participate in the Medium-Term RFP. Unfortunately, the lack of certainty during the bridging years for this asset makes it commercially improbable it will still be available. For the facility to remain online until 2026, we would need to successfully clear six capacity auctions.
General comments and feedback	See below.

## General Comments/Feedback

In designing these tools, the IESO has failed to incorporate a clear transition process that recognizes the commercial realities of facilities coming off contract in the near term. Creating a competitive procurement process for existing facilities and exposing them to years of revenue uncertainty in the interim risks project deployment and availability when you most need it. The capacity auction design, with short commitment periods, evolving rules and eligibility, and low winter capacity targets, is a wholly insufficient bridging mechanism for commercial planning. Overall, this procurement design risks capacity attrition, threatens reliability, and is likely to increase prices in the near term due to the level of risk inherent in its design. We respectfully ask the IESO to reconsider key design features such as the bridging mechanism and contract term in order to strengthen investment signals and ensure ongoing system reliability.