

Feedback Form

Resource Adequacy – August 26, 2021

Feedback Provided by:

Name: Paul Norris

Title: President

Organization: Ontario Waterpower Association

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 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 – Test to Capability for All Resources	Click or tap here to enter text.
What questions or feedback do you have on Proposed Change #2 – Changes to Thresholds	Click or tap here to enter text.
What questions or feedback do you have on Proposed Change #3 – Future De-Rates	Click or tap here to enter text.
What questions or feedback do you have on Proposed Change #4 – Common Notification	Click or tap here to enter text.
What questions or feedback do you have on Proposed Change #5 – Incenting Performance at the Right Time	Click or tap here to enter text.
What questions or feedback do you have on Proposed Change #6 – Availability Assessment True-Up	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 Contractual Considerations	Click or tap here to enter text.
What questions or feedback do you have on the Medium-Term RFP proposed design consideration on Resource Eligibility	Click or tap here to enter text.

Topic	Feedback
What questions or feedback do you have on the Medium-Term RFP proposed design consideration on Proposal Evaluation	Click or tap here to enter text.
What questions or feedback do you have on the Medium-Term RFP proposed design consideration on Contract Expiry and Bridging	Click or tap here to enter text.
What questions or feedback do you have on the Medium-Term RFP proposed Timelines and Milestones	Click or tap here to enter text.
What questions or feedback do you have on the Medium-Term RFP UCAP approach outlined in the presentation materials	Click or tap here to enter text.
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.	I would be pleased to meet with the IESO to discuss the Medium-Term RFP
General comments and feedback	Click or tap here to enter text.

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 hydroelectric facilities or new investment to expand waterpower’s contribution to emergent energy and capacity needs. The IESO’s focus on acquiring or re-acquiring resources with short term commitments (be it through the capacity auction or RFP) is fundamentally inconsistent with the long lifespan and long capital investment lead times that define hydroelectric facilities. Put simply, the longer the commitment to these assets, the better the value to ratepayers. According to our data, more than one hundred (100) non-rate regulated hydro facilities have contracts which expire by the end of the decade. In addition to the production of renewable electricity, these facilities provide societal “value” such as navigation, public safety, fish spawning, flood control, minimum flows for sanitation/water

quality, and major tourist activity. I emphasize again that investment decisions (or deferrals) are being made today for these assets, premised on the line of sight for certainty in the future. Should future procurement options for these perpetual assets be limited to those presented by the IESO to date, many if not most are at risk of closure prior to the end of their useful life. This would result in significant water management issues affecting local residents & businesses, tourism, recreation, increased flood potential and public safety risks, environmental impacts and increased costs/loss of revenue to the Province, who would inherit the assets and the responsibility for their ongoing maintenance and operation. In addition, I note that the IESO's proposed initial approach to acquiring new resources ("long term" RFP) will, by design, exclude new hydro from participation. Design work on the approach to this procurement has not yet begun. The timeline for procurement of newly built resources (2026) does not align with the development timelines for hydro (8-10 years) and the commitment period (7-10 years) will not support the development of new hydro, expected to be in operation for decades, as is the case with the current fleet. It is clear that for both existing and new hydro, the RA tools of Programs and Policy must be utilized and developed now. I remain hopeful that the OWA and the IESO can, through collaboration and innovation, develop approaches that recognize the unique attributes of the province's waterpower resources and contribute to the overarching objective of ensuring a cost effective and reliable electricity system.