

# Feedback Form

## Resource Adequacy – November 23, 2021

### Feedback Provided by:

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

Following the November 23, 2021 Resource Adequacy webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the following items: the **Annual Acquisition Report (AAR), enhancements to the Capacity Auction, the Long-Term RFP and IESO Procurement Fees.**

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 December 14, 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.

## Annual Acquisition Report

Topic	Feedback
How can the IESO evolve the Resource Adequacy Framework to enhance it?	Click or tap here to enter text.
What sections of the 2021 AAR were most helpful?	Click or tap here to enter text.
Are there specific topic areas the IESO should focus on in upcoming AARs?	Click or tap here to enter text.
What additional data would be most helpful to be included as supplemental information in future AARs?	Click or tap here to enter text.
General comments and feedback	Click or tap here to enter text.

## Capacity Auction

Topic	Feedback
Proposed changes for the December 2022 Capacity Enhancements	Click or tap here to enter text.
Input on how the point in time rule could be enhanced	Click or tap here to enter text.
General comments and feedback	Click or tap here to enter text.

## Long-Term RFP

Topic	Feedback
Proposed LT RFQ process and high level considerations	Click or tap here to enter text.
LT RFP design considerations	Click or tap here to enter text.
LT RFP engagement considerations	Click or tap here to enter text.
General comments and feedback	Click or tap here to enter text.

## Procurement Fees

Topic	Feedback
Does the proposed framework assist the IESO in running effective procurements with serious proponents?	<p>OSEA appreciates that the IESO wants to ensure that proponents are serious, i.e., financially viable. However, in OSEA's view, the IESO's proposed procurement fee framework could act as a barrier to serious and financially viable proponents. For example, higher Qualification and Proposal fees may prevent smaller community-based projects that have multiple funding streams from putting forward cost effective bids. Development of a proposal is costly with no guarantee of returns until after contract award (if successful). Adding costs to the upfront process may eliminate cost effective bids from proponents that must share proposal development costs over many different investors (e.g., co-ops, community joint procurements, etc.). For smaller, community-based projects, there is a high potential to be especially cost-effective in IESO procurements since out-of-procurement value can be used to reduce bid prices (e.g., community sustainment value, local economy adders, etc.). Smaller, community based projects require certainty on cost in order to invest up front. Most projects awarded contracts in procurements are not held by the same entity from contract award to commercial operation; many will seek different financing arrangements and potential reduction in equity in the project throughout development and construction. A higher application fee provides little value in terms of evaluating the seriousness of proponents. The IESO already has mechanisms in place to measure a proponent's financial viability and to prevent speculative proponents, e.g., the requirement for proponents to submit proposal security. Therefore, in OSEA's view, there is no rationale for a further financial barrier in the form of higher Qualification and Proposal fees.</p>

Topic	Feedback
Does the proposed approach and then stakeholdering the exact fees under each procurement provide appropriate opportunities for feedback?	Currently the IESO’s resource adequacy engagements have been focused on large-scale, transmission connected projects. As such, some smaller, community-based projects have not been following the resource adequacy engagement process. In OSEA's view, if the IESO's procurement fee setting framework is approved, the IESO should make an effort to specifically encourage smaller, community-based projects to participate in future fee procurement stakeholdering processes.
General comments and feedback	In EB-2020-0230, the IESO agreed to develop a more detailed framework for setting procurement fees. While the IESO now proposes a flat Registration Fee, it remains unclear how the IESO will set Qualification and Proposal fees. The proposed framework does not address in any detail how IESO will consider the relevant factors listed in the EB-2020-230 settlement proposal in setting the Qualification and Proposal fees. For example, to address impacts on competition, the IESO notes that it will scale the Qualification and Proposal fees to reflect the size and scale of the proposed product/service/project and seek stakeholder feedback. However, the IESO does not appear to have done any analysis (either internally or via an external consultant) on how participation decreases with increased procurement fees, and how decreased participation affects the competitiveness of bids. Without such an analysis, there is little certainty on how the IESO will set Qualification and Proposal fees across projects to minimize impacts on competition and ensure that similar projects have consistent Qualification and Proposal fees.

## General Resource Adequacy Comments/Feedback

Click or tap here to enter text.