

Feedback Form

Small Hydro Program Design, March 2022

Feedback Provided by:

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Date: March 28, 2022

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

Following the **(date)** Small Hydro Program Design Outreach Session, 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 **(date).** 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.

Small Hydro Program – Engagement Approach

Topic	Feedback
What questions or feedback do you have about the IESO’s engagement approach?	Stick to your approach of fairness and transparency.

Small Hydro Program – Principles & Goals

Topic	Feedback
What questions or feedback do you have on the design goals for the program?	I think the design goals have completely missed the value that small hydro brings to the province.
What questions or feedback do you have on the principles that the design is founded on? (focus on value, promote competition, incent market-driven operations and allow for flexibility in future system operation).	Focus on value. We have been around for the last 100 plus years. Hydro has been the backbone of this province, and such has always been a good value to the ratepayers. Promote competition. Due to operational restriction for our facilities, there is no way that we would be able to enter a competition for our output. Incent market-driven operations. See above. Flexibility. See above the above.

Small Hydro Program – Design Concepts

Topic	Feedback
What questions or feedback do you have relating to Design Concept #1: Capacity Payments	I do not like this design concept at all. I do not see how this concept will bring value to the ratepayers.
What questions or feedback do you have relating to Design Concept #2: Dispatchability	This concept does not work for run of the river sites. When we have our resource, we maximize our production to that resource.
Is your facility currently dispatchable?	No
If your facility is currently not dispatchable, is there an interest in becoming dispatchable? What would be required to become dispatchable and what are the barriers (if any)?	I have no interest at all in becoming dispatchable. To become dispatchable, I would require a reservoir large enough to store the amount of

Topic	Feedback
	water to allow for this. Barriers, no storage capability, water management plan.
What questions or feedback do you have relating to Design Concept #3: Tranching	Tranching, this is something I have thought about. The sites that put out kilowatts versus megawatts are at the small end of the scale when it comes to feasibility. These sites, like mine, are usually old mills converted, or old private sites from the early 1900's. Maybe something could be looked at for sites under 1000kw?
What characteristics would you consider to be defining features of your operations or facilities as it relates to potential criteria for contract payments?	Distributed generation that helps with voltage stabilization, in the small community where the station exists.
What questions or feedback do you have relating to Design Concept #4: Investment?	The investment of our facilities varies from station to station. Some stations did upgrades which was allowed under the current contract. With the the current contract upgrade option being closed, this is having a major impact on my ability to make an investment to upgrade my station. By closing the current contract upgrade option, I am in a real difficult position. I still have 8 plus years on my current contract, but the infrastructure supporting my operation may not last that long. How do I make capitol investment with this option have been taken away?
Have you considered adding an on-site battery to your facility? If so, what stage of development are you in? Is there potential for Indigenous and/or community ownership?	No, the cost associated with doing that is not feasible with my small site.
Are you aware of your sustaining capital requirements over the next 5 years?	Too much to put a figure on at this time.
Have you considered any upgrades or capital projects at your facility? If so, what stage of development are you in? Is there potential for Indigenous and/or community ownership?	I have thought about a major rebuild, but given that you closed my option to upgrade within my current contract, why would I. What value to the ratepayer did closing this option bring?

Topic	Feedback
What questions or feedback do you have relating to Design Concept #5: Contract Length ?	The contract length as it pertains to my site, needs to be a minimum of 20 years, or longer, beyond the current contract, in order to obtain financing, to allow for the major upgrade that is needed.
What questions or feedback do you have relating to a program review in 2026?	Why would the program need a review? You do not respect current contracts; you will do whatever YOU think is best without any consultation.

Small Hydro Program – Other Design Ideas

Topic	Feedback
Are there any other design ideas for the development of a Small Hydro Program that should be considered?	Get rid of all this sophistication and keep it really simple, payment for power produced.

Small Hydro Program – Challenges

Topic	Feedback
Are there challenges that you foresee in transitioning to a new contract structure? What are these challenges?	If you make the contract too sophisticated, then I will have to hire additional support which reduces my ability to stay feasible.
If you expect any challenges in transitioning to a new contract structure, do you have any suggestions on how the IESO can assist in the transition or reduce any anticipated barriers?	Keep the contract language really simple for everyone to understand. Energy, price, duration.

General Comments/Feedback

This province was built on hydro power. The owners of these small sites are very passionate about this industry. We would like to continue to leave these sites, as a legacy to what water power means to the local social and economical activity in the area where they operate.

As we try to reach our emission targets, hydro power seems to be forgotten, as we have always been around. We have provided great value to ratepayers, just not up front, like wind and solar currently, and soon to be battery storage.

Our small sites help with voltage stabilization, as most are in rural areas. We are a good base load asset. We also run at peak during spring freshet, which allows other forms of generation to schedule their annual maintenance at this time.

As WAS with the current contracts, there should be an incentive for major upgrades to our facilities.

If there are any green credits associated with our generation, some, or all, should be credited to us.

Keep our contracts simple, leave all this capacity auction to the ones that are designed to do that.

This comment is only pertaining to my site. I am the sole proprietor of this single site. The OWA did a survey of possible capital required to run and maintain our sites. This was done before any news of a new contract. The amount that I estimated, was based on putting lipstick on a pig, just to keep running, until the end of this contract. I have the ability to increase my current output by 400%. That may seem like a lot, but I am a 100 kilowatt site. Since there are no options available to rebuild, maybe contracts should include options to assist in rebuilding. A major rebuild will take years of planning and permitting, but will allow this asset to continue for another 100 plus years. If this site is abandoned, it will become a burden to the taxpayers.