

Feedback Form

Small Hydro Program Workshop, May 19, 2022

Feedback Provided by:

Name: Gary Bridger

Title: President

Organization: Moira River Water Power Inc.

Email: [REDACTED]

Date: June 1, 2022

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

Following the (Thursday, May 19, 2022) 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 Thursday, June 2nd. To promote transparency, feedback provided will be posted on the engagement webpage.

Small Hydro Program – Capacity Payments

	Topic	Feedback
1.1	What feedback do you have on the payment structure as it relates to a capacity payment plus an energy payment with a floor and a ceiling?	The concept on paper looks like it will work for you. I am not a math wizard, and trying to figure this all out is very confusing. The current contract is very simple, payment for power produced.
1.2	What feedback do you have on the assumptions for the reference case used in developing the payment structure? Specifically, what feedback do have on the reference case regarding: an appropriate split between the capacity payment revenue verses the energy payment revenue; the assumed capacity factor; the energy floor price?	Your figures are based on an assumption that a 2MW plant can reach your assumed target. The river systems vary from year to year, decade to decade. Especially the small rivers that can have dramatic changes from year to year. Again, on paper, it appears to work for you. I currently have no means of being able to track my output. Going to your approach, I will have to spend money to track this. These small sites need to stay on a contract similar to the current contract.
1.3	What feedback to you have regarding setting the fleet wide capacity factor benchmark at 40%? (Below this capacity factor, capacity payments will be reduced)	Is this factor an annual percentage? The different river systems, each have variable flows at different times of the year. I do not track this information. My previous response on my station's capacity factor, was not very accurate as to the way it was calculated. I have working knowledge of my station; I do not know if 40% is appropriate.
1.4	What feedback do you have regarding the energy ceiling concept and price?	The concept is good on paper, but would like to see a higher price, or shared above the ceiling price
1.5	What feedback do you have regarding an appropriate percentage of the capacity factor for which an escalation factor (Ontario all-items CPI) should apply? What is the justification for the percentage you are recommending?	This should be the same as the current contracts, 100%. This should be applied to both the capacity, and floor/ceiling payments. Without CPI being applied at 100%, we are taking a 20-year contract with no raises! Nobody I know will work for that time without a raise.

Small Hydro Program – Dispatchability

	Topic	Feedback
2.1	What feedback do you have on the approach to enhance payment for dispatchable facilities (increase capacity payment by X%, increase ceiling price or revenue share above ceiling price)? In your response, please note if you are a dispatchable facility / intent to become one as this design feature may only impact a very small portion of facilities.	Does not apply to me.

Small Hydro Program – Tranching

	Topic	Feedback
3.1	What feedback do you have regarding the recognition of economies of scale by providing an adjustment to the capacity payment of facilities under 1MW? What feedback do you have regarding an appropriate adder (in terms of a % of the capacity payment)?	As my facility falls into this category, I agree with this concept. I would like to see a 10% adder to the capacity payment for stations under 1MW.

Small Hydro Program – Contract Length

	Topic	Feedback
4.1	What feedback do you have regarding the option to terminate existing contracts and sign into the program at any time, with all contracts ending 20 years from program opening (ie. May 2043), regardless of when a contract is signed?	I like the 20-year option, but will have to weigh the best time to sign onto a new contract. My facility needs an expansion. I hope your recommendation to the minister, to add expansion in their final letter, will come to fruition.

Small Hydro Program – Community, Conservation Authority & Indigenous Ownership

	Topic	Feedback
5.1	What feedback do you have on a minimum Indigenous, Conservation Authority or Community ownership stake to qualify for an enhanced payment?	Good concept, if these organizations want to get involved.
5.2	What feedback do you have on the maximum value of an adder (in the case of 100% ownership by an Indigenous Community, Community or Conservation Authority)?	The other contracts had c/kwh as an adder. The percentage should be equal to this.

General Comments/Feedback

	Topic	Feedback
6.1	Please provide any additional comments or feedback that would assist in the design, development and implementation of a Small Hydro Program	Simplicity, maybe the sites under 1mw should be our own tranche. Just pay us for the power we produce. It appears know that I have to hire a mathematician to figure out if this is good or bad for my site. Acronyms, my head was spinning trying to follow all the acronyms used during the slide show. Not very simple to follow.