

Feedback Form

Overview and Q&A Session on the Small Hydro Program (SHP) Draft Documents: September 19, 2023

Feedback Provided by:

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Following the September 19, 2023 engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the items discussed during the webinar. The webinar presentation and recording can be accessed from the [engagement web page](#).

Please submit feedback to engagement@ieso.ca by end of day Tuesday, September 26, 2023. If you wish to provide confidential feedback, please submit as a separate document, marked "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

SHP Draft Documents

Topic	Feedback
<p>What feedback do you have related to OEFC eligibility and the requirement to terminate the OEFC Contract prior to the Contract Date?</p>	<p>APSL supports the ability for a proponent to apply for an SHP contract prior to the expiration or termination of an OEFC Contract, and for the migration to the SHP contract concurrent with OEFC contract expiration/termination. The OWA also notes the Minister’s Directive includes: “The IESO shall, working with the Ministry of Energy and the Ontario Financing Authority (OFA), report back by March 31, 2024, on the feasibility of transferring the NUG contracts to IESO by terminating all of OEFC's remaining NUG contracts for hydroelectric facilities, and allowing IESO to enter into contracts with these facilities on financial terms that are materially consistent with their existing NUG contracts, provided that the contract entered into by IESO expires at the same time that the NUG contract would have expired. The IESO's report back should also include an analysis of the treatment of outstanding debt owed by the NUG generators to OEFC.” The OWA and OEFC contract holders would appreciate the opportunity to work directly with the IESO in the development of the report back.</p>
<p>What feedback do you have related to the GRC (Gross Revenue Charge) Adjustment mechanism?</p>	<p>APSL supports the concept of the Gross Revenue Charge Adjustment mechanism as government decisions to revise the GRC (rate, application, formula) are out of the control of generators. We note that not all facilities are subject to GRC (e.g. expansions have a 10 year holiday, facilities on federal lands). The OWA recommends that the IESO also include a mechanism whereby a future government decision to replace the GRC with another charge or tax be addressed within the contract (i.e. generator is kept whole).</p>
<p>What feedback do you have related to Upgrades & Expansions being enabled for those in the SHP that previously held HCI Contracts?</p>	<p>APSL supports the OWA position on this point as submitted by Paul Norris.</p>

Topic	Feedback
What feedback do you have related to Exhibit B1 of the draft SHP-AR Contract?	As APSL and the OWA understands it, Exhibit B1 replicates the existing metering and settlement provisions of the various forms of contracts (HCI, RES, RESOP, HESOP) as separate schedules to be applied in the Original Term and adds the SHP Contract metering and settlement provisions to be applied for the Extended Term or for the entire term for Stream 1 facilities. The OWA has not undertaken a line-by-line analysis of the various contracts against Exhibit B1 but would appreciate IESO's confirmation of our understanding of the approach taken.
What feedback do you have on the draft SHP Contract?	APSL supports the OWA position on this point as submitted by Paul Norris.
What feedback do you have related to Exhibit B2 of the draft SHP-AR Contract or Exhibit B of the draft SHP Contract?	This appears to be consistent with what the IESO has communicated in terms of the metering and settlement provisions of the SHP, the treatment of negative pricing and the proposed approach to the GRC adjustment.
What feedback do you have on the draft Application Form?	APSL supports the OWA position on this point as submitted by Paul Norris.
What feedback do you have on the draft Prescribed Forms?	No comments – will the IESO be preparing Standard Forms for responses to Applicants?
What feedback do you have related to Rules related to Secured Lender Agreements?	No comment.

General Comments/Feedback

APSL supports the OWA comments related to installed capacity definition per their submission. We would like to reiterate the inclusion of OEFC contracted facilities is important and will help the IESO meet the core objectives for the draft SHP. Providing a clear and free path for the transition from OEFC "Non-Utility Generator" contracts to the SHP will be essential for this to work. We hope that the new IESO contracts will ensure equitable payment terms and conditions to other facilities taking part in the SHP.