

Summary of Draft Updates to Small Hydro Program (SHP Rules)

Draft Updates to SHP Rules, August 30, 2024

Consistent with the May 9, 2024 directive, the Small Hydro Program Rules have been revised to introduce a third stream, which will allow for the participation of existing facilities that have an aggregated contract with the IESO.

These proposed changes will be posted for a period of two weeks to allow for review and feedback from interested stakeholders. The IESO asks that comments on the proposed changes to the program rules be submitted to smallhydro@ieso.ca by close of business on Friday, September 13th. Please note that unless specified otherwise, feedback received will be posted publicly. The IESO will aim to respond to feedback within two weeks of receipt and post the final set of rules shortly after.

High-Level Description of Draft Updates

- Under stream 3, each facility within the same aggregated contract will apply to the Small Hydro Program separately, but concurrently (i.e. on the same date). This will result in one SHP contract for each individual facility which is consistent with the May 9th Directive and original Program design intent. The eligibility and application requirements are otherwise similar for Stream 3 as they are for the other two streams.
- Like stream 2, the SHP (stream 3) Contract will provide settlement terms that are substantially similar to those under the existing aggregated contract for the duration of that original contract. SHP settlement terms will begin once the original contract term ends.
- Per the May 9th Directive the IESO will work with the applicant to disaggregate each eligible facility from the existing aggregated contract so that they can be offered a SHP (Stream 3) Contract.
- For Stream 3 Facilities, the existing secured lender consent agreement (SLCA) will remain in place to support the original aggregated contract. However, when executing the SHP contract, the applicant and its secured lender will be required to enter into a new Stream 3 SLCA.