

LT1 RFP Question and Comment Period – Batch 3 (November 28, 2023)

Questions and Comments

The following document summarizes IESO responses to the first batch of questions and comments submitted to the IESO in respect of the final LT1 RFP documents posted on September 29th, 2023, that were submitted pursuant to section 3.2(a) of the Long Term 1 Request for Proposals (LT1 RFP) prior to the Question and Comment Deadline.

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Defined Terms

Capitalized terms used in the IESO Responses in this document, unless otherwise defined herein have the meaning given to such terms in the LT1 RFP.

LT1 RFP

Question/Comment	IESO Response
<p>1) We are working with [Name Redacted] to develop a new windfarm in [town redacted] Ontario. We have had preliminary discussion with the Hydro One about the proposed project and its point of interconnection ([redacted]) and no major concerns were raised. We have also had a subsequent meeting with the IESO SIA group to discuss this future project.</p> <p>We realize for the current LT1 RFP, connections to these two lines are not allowed by the IESO.</p> <p>Will connections to these two lines be considered in the future LT2 RFP, especially since the proposed project is a generation project and not a BESS project. Furthermore, the proposed switching station for this project will be a three breaker ring bus to ensure reliability of the existing circuits.</p>	<p>Information on the future LT2 RFP is expected to be shared in the coming weeks. Interested parties are encouraged to subscribe to updates on the IESO’s Long-Term RFPs.</p>
<p>2) Dear Sir or Madam,</p> <p>This follows my failed attempt this afternoon to speak to a person at the IESO. From your “Contact Us” page. It seems to me that, although I am a Canadian citizen and a life-long resident of Ontario, I do not fit any of the criteria to be permitted to contact you.</p> <p>Nevertheless, I hope the IESO will answer my three specific questions.</p> <p>I attended a meeting on Wednesday 1 November 2023 regarding the proposed [Redacted] battery energy storage system (“BESS”) project in Fitzroy Harbour, which is within the City of Ottawa. I understand that a different proponent for a different BESS project [Redacted] which would also be</p>	<p>[1] The List of Qualified Applicants has been published by the IESO and lists entities that were successful in the LT1 RFQ (which concluded in summer 2022). The entities on this list include all potential Proponents that are Qualified Applicants. Qualified Applicants (or a Person Controlled by Qualified Applicant), by virtue of participation in the LT1 RFQ (which concluded in summer 2022) or an Eligible Expansion Counterparties (owner or Affiliate of an owner of an Eligible Existing Facility) are eligible to submit a Long-Term Reliability Project as a Proposal under the LT1 RFP.</p> <p>[2] In order to be eligible to submit a Proposal to the LT1 RFP, the subject Proposal must have been submitted to the IESO’s Deliverability Test Process, which took place between July and September of this year and has now concluded.</p>

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<p>within the City of Ottawa, is having another meeting at the same location on Thursday 9 November.</p> <p>From speaking with staff from [Redacted] at the 1 November meeting, I understand that some number of proponents were “short-listed” (my own term) to submit proposals by 12 December 2023 to continue the assessment process.</p> <p>I spent considerable time on the IESO website this afternoon but could not identify the proponents on that “short list”, or where their proposed projects would be located. I am particularly interested in identifying the proponents and potential projects that would be located within the jurisdiction of the City of Ottawa.</p> <p>To be very clear, my questions are:</p> <p>[1] Who are the proponents that have reached this stage of the BESS approval process? (That process may or may not be identified as “LTF1 RFP”, or at least part of it.)</p> <p>[2] Where, specifically, would their proposed projects be located?</p> <p>[3] What IESO document confirms the previous two issues? (I would be grateful for a hyperlink to the document.)</p> <p>All of the circumstances tend to indicate that there is a relatively short deadline on this matter. Therefore, I would ask, please, to receive a reply at your earliest convenience.</p> <p>Thank you for considering this matter.</p>	<p>For a listing of proposed projects that were successful in the LT1 Deliverability Test (i.e. had results of either “Deliverable” or “Deliverable but Competing”), listed by zone, please see the LT1 Deliverability Test Results on the LT1 RFP website. Please note that this list reflects the number of prospective Projects that were successful in the IESO’s Deliverability Test, and is not necessarily reflective of actual Proposals that the IESO will receive.</p> <p>[3] For more information on the LT1 RFP, members of the public are encouraged to review the documents on the IESO’s Long-Term Procurement webpage. Interested parties are encouraged to subscribe to updates on the IESO’s Long-Term RFPs.</p>
<p>3) Hello,</p>	<p>There is no ranking of locations for prospective project sites under the LT1 RFP. For the</p>

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<p>I am doing research into BESS's here in Ontario and would appreciate your help in this matter.</p> <p>As background and context, we have just been notified that a company plans to build a BESS here in [Redacted]. We only found out about this late last week from a local news report. The process is moving very quickly and the community is trying to digest and process this but we have very limited time as the stakeholder (community) engagement is scheduled for tomorrow November 02 2023. A decision by Council will be rendered mid month (November).</p> <p>I have been in touch with [Redacted] who has been extremely helpful and transparent which has been truly appreciated.</p> <p>Information as follows would be appreciated:</p> <p>I understand that you have produced a ranking of locations where BESS's could be built. Can you send me this or direct me to where it is please?</p> <p>I am also wondering what the requirements/timeframes are for notifying members of a community where a BESS project is being proposed?</p> <p>When was the current RFP for which this proposal relates to first issued?</p> <p>Are there regulations governing the steps/processes that proponents must take with respect to notifying/engaging stakeholders? Or is there a guiding document available?</p> <p>I am also looking for statistics as to the number of BESS proposals that have been</p>	<p>previous procurement, the Expedited Long-Term RFP (E-LT1 RFP), Rated Criteria points were awarded to prioritize projects located in the South West and East of FETT zones. After addressing these local needs through the E-LT1 RFP, the remaining Ontario capacity need was global, leading to the elimination of locational prioritization via Rated Criteria points under the LT1 RFP.</p> <p>Please see the response to Question #2 for more information on the location of projects that were successful in the LT1 Deliverability Test.</p> <p>Please see Section 2.1 (f) of the LT1 RFP for details on the requirements for Community and Indigenous Engagement. The Proponent is required to create a project Website, to post information regarding the project, and must hold at least one public community meeting that is open to the public at large prior to the Proposal Submission Deadline (December 12th, 2023) but no earlier than February 17th, 2023. Notice of such public community meeting must be delivered at least 15 days prior to the date of the public community meeting in accordance with Section 2.1(f)(ii) of the LT1 RFP. The IESO checks that these requirements were met as part of the evaluation of the Proposal. In accordance with Section 4.2 of the LT1 RFP, each Proposal will pass or fail depending on whether it meets the Mandatory Requirements of the LT1 RFP.</p> <p>Final documents for the LT1 RFP were posted on the LT1 RFP Website on September 29th, 2023, marking the official launch of the LT1 RFP, as well as the start of the Question and Comment period (which closed on November 17th, 2023).</p>

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<p>made over the last few years and the number (and reason) that were rejected either by council or the IESO.</p> <p>Is a time frame of three weeks from notification to the community by the proponent to a decision by Council the norm in this process?</p> <p>I will likely have other questions, is there a point of contact at the IESO for this?</p> <p>Best regards, [Redacted]</p>	<p>The Proposal Submission Deadline is December 12th, 2023.</p> <p>In order to submit Proposals to the E-LT1 RFP or the LT1 RFP, Proponents first had to qualify as Qualified Applicants by means of the LT1 RFQ, which concluded in summer, 2022. Qualified Applicants who met the requirements of the E-LT1 RFP submitted a total of 131 stand-alone storage projects (14,900 MW) to the E-LT1 Deliverability Test. Only those projects that achieved a status of “Deliverable” or “Deliverable but Competing” could be submitted to the E-LT1 RFP. The IESO received 35 Storage Proposals for evaluation under the E-LT1 RFP, of which 15 (totalling 881.7 MW) were awarded contracts. Please see the IESO website for a detailed breakdown of E-LT1 RFP Results. Similar data for the LT1 RFP is not yet available, as the procurement is on-going. The IESO does not track the results of council meetings in which support is considered for projects that may be submitted into the IESO’s procurements.</p> <p>There is no set time frame under the LT1 RFP for a municipal council to issue a Municipal Support Confirmation relative to the notification of a public community meeting.</p> <p>The LT1 RFP officially launched on September 29th, 2023, marking the start of the official Question and Comment Period. Beyond this point all outstanding questions are required to be submitted to LT1.RFP@ieso.ca to be answered in batches in accordance with the communication protocol, as set out in Section 3.4 in the LT1 RFP, to maintain the integrity and fairness of the process for all participants. Please note that the deadline to submit questions was November 17th, 2023.</p>
<p>4) Hello - I am not a proponent but am looking for the following answers please. This is 4th</p>	<p>(a) Please see the response to Question #3.</p>

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<p>or 5th time asking without an adequate response to all the questions. I keep getting sent links. There are new additional questions here as well.</p> <p>Please answer the following questions with thanks:</p> <p>(a) I understand that you have produced a ranking of locations (townships, municipalities etc) where BESS's could be built. Can you send me this to me please?</p> <p>(b) I am also wondering what the requirements/timeframes are for notifying members of a community where a BESS project is being proposed? How many people in the community to be notified and by which means etc).</p> <p>Are there regulations governing the steps/processes that proponents must take with respect to notifying/engaging stakeholders? Or is there a guiding document available? Who follows up to ensure guidelines are being followed?</p> <p>(c) I am also looking for statistics as to the number of BESS proposals that have been made over the last few years and the number (and reason) that were rejected either by council or the IESO?</p> <p>(d) What is the mandated frame from notification to the community by the proponent of the project to a decision by Council the norm in this process?</p> <p>(e) NEW QUESTIONS What mechanism is in place to ensure that misleading and erroneous information given by the proponent to stakeholders, media etc.</p>	<p>(b) Please see the response to Question #3.</p> <p>(c) Please see the response to Question #3</p> <p>(d) Please see the response to Question #3</p> <p>(e) As described in section 5.10 of the LT1 RFP, The IESO reserves the right to disqualify any Proponent whose submission, which includes a copy or summary of the minutes of each public community meeting (including a required public question and answer record), contains misrepresentations or any other inaccurate or misleading information. All statements, information and documentation submitted as part of any Proposal are subject to verification by the IESO. See section 5.7 of the LT1 RFP.</p>

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<p>is prevented and how is this monitored? How is it enforced?</p>	
<p>5) We are considering a project whereby we utilize natural gas to generate power for the [Redacted]. Are we still able to apply for the LT1 RFP? Or has there been a deadline we have missed making us ineligible to apply?</p>	<p>In order to be eligible to submit a Long-Term Reliability Project into the LT1 RFP, a Proponent would have to either be a Qualified Applicant (or a Person Controlled by a Qualified Applicant), by virtue of participation in the LT1 RFQ (which concluded in summer 2022) or an Eligible Expansion Counterparty (owner or Affiliate of an owner of an Eligible Existing Facility). In both cases, to be eligible to submit Proposal to the LT1 RFP, the subject project must have been submitted to the IESO’s Deliverability Test process, which took place between July and September of this year and has now concluded.</p> <p>The IESO will be introducing further details on the next procurement process in the coming weeks. Please visit the IESO RFP webpage for more details.</p>
<p>6) Good morning, I’m reaching out to request a list of where BESS Installations are intended for these areas</p> <ol style="list-style-type: none"> 1. Township of North Dundas 2. Township of Russell 3. Township of South Dundas 4. City of Ottawa <p>[Redacted]</p>	<p>For a listing of possible proposed projects by zone, please see the LT1 Deliverability Test Results on the LT1 RFP website. Please note that this list reflects the number of prospective projects that were successful in the IESO’s Deliverability Test (i.e., had results of either “Deliverable” or “Deliverable but Competing”), and is not necessarily reflective of actual Proposals that the IESO will receive.</p>
<p>7) I hope you are well and nice to e-meet you. As [Redacted] indicated, in October [Redacted] initiated a procurement process to select a partner to build and operate a utility-scale battery energy storage facility on a City property in Toronto’s Port Lands. Last month, our process was also unanimously endorsed by Toronto City Council.</p> <p>We believe there is a tremendous opportunity in the IESO and the [Redacted]</p>	<p>In order to be eligible to submit a Long-Term Reliability Project into the LT1 RFP, a Proponent would have to either be a Qualified Applicant (or a Person Controlled by a Qualified Applicant), by virtue of participation in the LT1 RFQ (which concluded in summer 2022) or an Eligible Expansion Counterparty (owner or Affiliate of an owner of an Eligible Existing Facility). In both cases, to be eligible to submit Proposal to the LT1 RFP, the subject project must have been submitted to the IESO’s Deliverability Test</p>

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<p>to work together to introduce and showcase a major new utility-scale facility in the heart of downtown. I'm reaching out at the request of the Board of Directors of [Redacted] to request a meeting with you to discuss the following;</p> <ol style="list-style-type: none"> 1. Discuss with you how we can best ensure alignment between our public approval process for a battery storage facility in the Port Lands and the IESO's Long-Term RFP process. 2. Explore the possibility of a direct partnership with the IESO to support your procurement objectives now and into the future. <p>We would really appreciate it if we're able to find a time for a meeting this month with [Redacted] here would be very pleased to connect with your staff to schedule a time at your convenience.</p>	<p>process, which took place between July and September of this year and has now concluded.</p> <p>During the competitive LT1 RFP process, the IESO must adhere to a strict communication protocol, as set out in Section 3.4 of the LT1 RFP, to maintain the integrity and fairness of the process for all participants. As such, the IESO would be unable at this time to respond to any request for meetings as they pertain to the LT1 RFP.</p>
<p>8) Hello,</p> <p>I would like to follow up on this question that I submitted as part of the Batch 1 questions. I noticed that a response was not included in the Batch 1 Responses, released on October 23rd.</p> <p>Could you please provide an update on the response to this question? I would like to confirm that a response is forthcoming, or if this question will not be answered, and for what reason.</p> <p>I am seeking clarification of the POI for projects submitted to the RFP, relative to the information provided in the Deliverability Assessment. I have found the information provided so far to be a little conflicting or</p>	<p>Yes, for the LT1 RFP there is a limitation on movement of the Connection Point. For the LT1 RFP, the Connection Point submitted for a Long-Term Reliability Project to the Deliverability Test must be consistent with the Connection Point submitted as part of the Proposal, this means that the Connection Point must not be changed from the Connection Point that was submitted to the LT1 Deliverability Test.</p> <p>Please see the response to Questions #1 and #7 of LT1 RFP Question and Comment Period Batch 1.</p>

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<p>vague, so am seeking a definitive, clarifying statement.</p> <p>Understanding that webinar comments are not definitive positions by the IESO, during the webinar on June 14, 2023 some flexibility was suggested, stating that “if you’re moving... a short distance on the same circuit that technically should not be a limitation. Typically if you’re staying within the same... conductor geographic location... there should be a reasonable distance... [but] you cannot really have an exact number because sometimes it’s depending on how the project is connected and is very much depending on the configuration of that specific circuit you’re connecting to.” It was then added that the move is acceptable also “as long as it doesn’t change the look and feel for the community obligations that were met previously”.</p> <p>In Q&A response 3.8 it was stated that “the LT1 RFP requires that the Connection Point is consistent between the Deliverability Test results and the LT1 RFP Proposal”. In the E-LT1, the definition of ‘consistent’ was that “the Connection Point information will be considered to remain consistent with the Deliverability Test provided that the Distribution System feeder line information, transformer station and/or Transmission System circuit information (as applicable) remains the same, even if the GPS coordinates of the proposed physical interconnection on that feeder line or circuit (as applicable) may change in connection with a proposed change in the Project Site”</p> <p>Is this definition of ‘consistent’ still valid for the LT1 RFP, that movement will be allowed as long as the feeder line, transformer station and/or transmission circuit remain the same? And as long as the new location</p>	

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<p>doesn't change the look and feel for the previously-met community obligations? Most importantly, is there a limitation to the movement, even if all of this information remains the same? Would a distance of as much as 2-3km be acceptable, if staying within these requirements?</p>	
<p>9) [Redacted] has been contacted by two parties interested in responding to the IESO RFP for Battery Energy Storage Systems. I would like to speak to someone from the IESO regarding the RFP process and the role of municipalities in this process. I would appreciate it if someone could contact me to discuss this. There are currently two proposals in our municipality and I would like to discuss what municipal approvals are required for these projects.</p>	<p>Consistent with the government Directive dated August 23, 2023 (s. 3(e)), where a project is located within a municipality, a council resolution of support from that municipality (i.e. a Municipal Support Confirmation), must be submitted to the IESO either at the time of Proposal submission to the LT1 RFP (in which case the project will be eligible for Rated Criteria Points), or otherwise no later than sixty (60) days after the eighteen (18) month anniversary of the Contract Date. Municipalities are able to grant support or not, at their own discretion. At the LT1 RFP stage, municipal support may take the form of a Municipal Support Resolution or a Blanket Municipal Support Resolution, as each is defined in the LT1 RFP. The Municipal Support Resolution is required to be "substantially in accordance with Exhibit A of the Prescribed Form: Municipal Support Resolution". Both Municipal Support Resolutions and Blanket Municipal Support Resolutions must express the support of the municipality for the development, construction and operation of the project, which support may be subject to "all Laws and Regulations" (see definitions of "Blanket Municipal Support Resolution" and "Municipal Support Resolution").</p> <p>At the LT1 Contract stage, municipal support must take the form of a Municipal Support Resolution. Where a Municipal Support Resolution is not provided to the IESO by the deadline set out in the LT1 Contract, this constitutes a Supplier Event of Default, pursuant to which the IESO may terminate the contract</p>

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	<p>and return the Completion and Performance Security.</p> <p>The Municipal Support Confirmation is solely for purposes of the LT1 RFP or LT1 Contract, as applicable, and does not replace or impact applicable land use or environmental regulatory approvals required under applicable Laws and Regulations.</p>
<p>10) NOTE THIS EMAIL WAS ORIGINALLY SENT TO IESO CUSTOMER RELATIONS SEVERAL WEEKS AGO WHO ADVISED ME TO CONTACT YOU. (I have amended it somewhat to reflect current events.)</p> <p>Hello,</p> <p>I am doing research into BESS's here in Ontario and would appreciate your help in this matter.</p> <p>As background and context, we were just notified that a company plans to build a BESS here in Crystal, Ontario. We only found out about this from a local news report. The process is moving very quickly and the community is trying to digest and process this. A decision by Council will be rendered in a few weeks.</p> <p>I have been in touch with [Redacted] who has been helpful and transparent which has been truly appreciated.</p> <p>Information as follows would be appreciated:</p> <p>I understand that you have produced a ranking of locations where BESS's could be</p>	<p>Please see the response to Question #3.</p>

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<p>built. Can you send me this or direct me to where it is please?</p> <p>I am also wondering what the requirements/timeframes are for notifying members of a community where a BESS project is being proposed?</p> <p>When was the current RFP for which this proposal relates to first issued?</p> <p>Are there regulations governing the steps/processes that proponents must take with respect to notifying/engaging stakeholders? Or is there a guiding document available?</p> <p>I am also looking for statistics as to the number of BESS proposals that have been made over the last few years and the number (and reason) that were rejected either by council or the IESO.</p> <p>Is a time frame of approx. three weeks from notification to the community by the proponent to a decision by Council the norm in this process?</p> <p>I will likely have other questions, is there a direct point of contact at the IESO for this?</p>	
<p>11) On the deliverability test from we provided the combined total nameplate rating of inverter based generation (in MVA) <if applicable>. Due to losses and the systems overbuild, we anticipate the total MVA rating of the equipment will exceed the total MVA nameplate rating of inverter based generation identified in our deliverability test results. Please confirm the following:</p> <p>1. I think we just need to ask if the MVA rating on the deliverability test was meant to be the sum of the MVA ratings of our</p>	<p>Under Section 2.1(e)(iii) of the LT1 RFP, the Maximum Contract Capacity (in MW) for a Proposal under the LT1 RFP cannot exceed the nameplate rating (MVA) submitted for the applicable facility into the Deliverability Test. The MVA injection at the Connection Point should not exceed the MVA value assessed during the Deliverability Test.</p> <p>Changes to a contracted facility are restricted under Section 2.1(b) of the LT1 Contract. However, for Electricity Storage Facilities, the LT1 Contract allows for replacement of like-for-like battery cells or inverters. The LT1 Contract</p>

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<p>inverters and whether that value can be changed or exceeded; and,</p> <p>2. Please clarify if the IESO’s intent is to limits the MVA rating of the equipment throughout the operational term to the ratings provided in the deliverability test. Note additional MVA equipment may be expected when augmenting the BESS system.</p> <p>Appreciate your timely response.</p>	<p>also provides for limited permissible reduction in Contract Capacity for Electricity Storage Facilities under Section 4.3 of the LT1 Contract.</p>
<p>12) We have a few questions on the LT1 RFP regarding corporate PPAs in Ontario:</p> <p>Question 1: We are seeking clarification on the Final LT1 Contract (September 29, 2023) regarding the Ontario Ministry of Energy’s proposed Ontario Regulation 429/04 Amendments Related to the Treatment of Corporate Power Purchase Agreements on the Environmental Registry of Ontario (ERO number: 019-7853 as they potentially related to the LT1 RFP/Contract; https://ero.ontario.ca/notice/019-7853):</p> <p>The proposed change would require amendments to O. Reg. 429/04, Adjustments Under Section 25.33 of the Act, made under the Electricity Act, 1998, the regulation that prescribes the allocation of Global Adjustment (GA) costs to electricity customers and sets out the rules for the Industrial Conservation Initiative (ICI)... These proposed amendments aim to support the growth of new clean generation in the province by allowing ICI participants to offset their facility’s demand in the top five peak hours of a base period through power purchase agreements (PPAs) with renewable generation facilities that are not connected behind the facility’s meter. The types of</p>	<p>Question 1: The IESO will not be making any adjustments to the LT1 RFP or LT1 Contract in response to the proposed amendments to O. Reg. 429/04. For Electricity Storage Facilities under the LT1 Contract, the GA Amount (reimbursement for Global Adjustment incurred in charging) is calculated will be as per the requirements set forth in Section 2.1 of Exhibit R of the LT1 Contract, and will be calculated as per Section 2.2 of Exhibit R of the LT1 Contract in the event that there is either a change in the basis upon which Global Adjustment is allocated to a Facility or a change to the ICI or any ICI Successor Program.</p> <p>Question 2: Suppliers are required to satisfy the Must-Offer Obligation, the primary covenant of the LT1 Contract, by offering electricity from the Facility into the Day-Ahead Market during Qualifying Hours. Section 2.12 of the LT1 Contract enables this by ensuring that Contract Capacity is exclusively committed to the IESO. Unless written consent is obtained from the IESO, Suppliers must not develop, register or monetize any Future Capacity Related Products during the Term.</p> <p>Question 3: The IESO appreciates your feedback. Suppliers provide features and specifications for their Facility in Exhibit A of the LT1 Contract and must not modify, vary or</p>

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<p>technologies that could be eligible under the proposal may include wind, solar, small hydroelectric (i.e., less than 10 megawatts), biofuel and battery storage....</p> <p>The proposal would allow qualifying ICI participants to reduce their peak demand factors by offsetting their demand in the five highest demand hours of a base period with certain eligible renewable generation contracted under a PPA. The proposal would be similar to “virtual” net metering arrangements for qualifying ICI participants, whereby the contracted generation would be treated as if it is supplied to the ICI participant behind-the-meter for the purpose of determining GA charges and could, in addition to providing system benefits, enhance industrial competitiveness in the province and support new clean generation. The proposed effective date for the amendments is May 1, 2024.</p> <p>While the rules are not fully available, and open to ongoing stakeholder feedback, it appears that FTM energy storage resources (alongside other resources) are eligible to sell ICI credits or benefits. Because the rules are not finalized, we understand it would be difficult to definitively respond to the below.</p> <p>To what extent does the IESO expect this proposed amendment to impact the LT1 Contract or RFP process? Does the IESO expect to release any guidance for proponents on how to incorporate the proposed O. Reg. 429/04, Adjustments Under Section 25.33 of the Act into their RFP bids?</p> <p>Question 2: In the IESO’s Final LT1 Contract (September 29, 2023), the following section would appear to support/enable a FTM standalone storage resource in selling ICI</p>	<p>amend these without prior IESO consent as per the requirements in article 2.1(b) of the LT1 Contract.</p>

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<p>credits/benefits as outlined above. Given the ICI peaks coincide with high-price hours (generally summer business days), does the IESO agree that a Proponent could meet the requirements of the IESO LT1 contract, offering into the market on a day-ahead basis and clearing in the real-time market to discharge, while also simultaneously meeting potential ICI obligations under a corporate PPA?</p> <p>S. 2.12 Other Commitment of Contract Capacity The Supplier shall ensure that the Contract Capacity is exclusively committed to the Buyer hereunder such that no part of the Facility is subject to any physical or contractual arrangement that conflicts with the Supplier’s ability to satisfy the Must-Offer Obligation during the Term</p> <p>Can the IESO please confirm whether S. 2.12 does or does not explicitly prevent a FTM standalone battery with an LT1 Contract from also selling ICI credits/benefits under a corporate PPA, so long as there is no “conflict”?</p> <p>Question 3: While we understand that standalone storage resources in LT1 are generally expected to themselves be ICI-eligible (i.e., they can’t sell ICI avoidance, if they are the load trying to avoid ICI), one can consider real/practical scenarios that are currently eligible in US markets like CAISO in relation to the questions above that may create a “grey” area for ICI eligibility from standalone resources in LT1 that should be clarified:</p> <ul style="list-style-type: none"> • An 8hr+, rather than 4hr battery (i.e., where only a portion of the energy duration is sold to the IESO) • An overbuilt battery relative to IESO contracted MW (i.e., where only a portion of the built MWs are sold to the IESO) 	

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<ul style="list-style-type: none"> • A “battery site” which includes multiple separately metered battery units/projects, with different contractual commitments but sharing the same main point of interconnection • A renewable facility seeks to sell its renewable electricity generation virtually, as a “virtual hybrid” portfolio with any of the options above • A renewable facility seeks to sell its renewable electricity generation virtually directly to an LT1 battery project to avoid the battery’s ICI peaks and or onpeak station service costs 	
<p>13) I am wondering if you can clarify the requirements regarding Agricultural Impact Assessments for BESS projects competing in the LT RFP that are proposed for locations within the Greenbelt.</p> <p>Regarding the current requirement for infrastructure to complete an AIA where it is proposed to be developed within the Greenbelt, the Greenbelt Plan defines “infrastructure” as follows –</p> <p>physical structures (facilities and corridors) that form the foundation for development. Infrastructure includes: sewage and water systems, septage treatment systems, stormwater management systems, waste management systems, electricity generation facilities, electricity transmission and distribution systems, communications/telecommunications, transit and transportation corridors and facilities, oil and gas pipelines and associated facilities.</p> <p>Any further clarity you are able to provide on this point would be appreciated.</p>	<p>Per article 2.14 of the LT1 Contract, all Selected Proponents must obtain a Municipal Support Confirmation either at the time of Proposal submission to the LT1 RFP or otherwise no later than sixty (60) days after the eighteen (18) month anniversary of the Contract Date. Municipalities are able to grant support or not, at their own discretion. The Municipal Support Confirmation is solely for purposes of the LT1 RFP or LT1 Contract, as applicable, and does not replace or impact applicable land use or environmental regulatory approvals required under applicable Laws and Regulations. The IESO does not have environmental regulatory authority over land use. Interested parties should seek experienced counsel and guidance from applicable Governmental Authorities with respect to such regulatory requirements. Proponents should be working with their municipality and/or local governing body to assess their specific responsibilities in accordance with the jurisdiction in question.</p>
<p>14) Section 16.7(b) of the LT1 Contract includes a sentence that provides:</p>	<p>As part of Addendum No.1 the IESO has replaced the words “new contract” with “New Agreement”</p>

Question/Comment	IESO Response
<p>“The provisions of this Section 16.7(b) shall not apply to any new contract resulting from a bona fide enforcement of a Secured Lender Security Agreement under Article 12 of this Agreement.”</p> <p>I’m struggling to understand the intention of using the terminology ‘any new contract’ rather than the defined term New Agreement.</p> <p>Is the drafting intentionally broad (i.e. it captures a New Agreement as well as any other new contract resulting from [...])? If yes, could you please elaborate on the circumstances where a new contract other than a New Agreement would qualify for this provision?</p>	<p>appearing in the last sentence of section 16.7(b) of the LT1 Contract.</p>
<p>15) DEAR IESO representative,</p> <p>GREENBELT PROTECTED LANDS IN CLARINGTON ONTARIO UNDER THREAT from[Redacted]– URGENT ACTION REQUIRED</p> <p>As a property owner on [Redacted] and concerned about inappropriate uses of Ontario’s Greenbelt protected lands, I am acutely aware of the growing problem of unrestrained development on the Greenbelt that compromises its intended goal.</p> <p>[Redacted] has created a project proposal in response to the Independent Electricity System Operator (IESO) Long-term 1 Request for Proposal. But the Greenbelt is no place for an industrial application like the [Redacted] Storage project of outdoor battery structures on hardscape that violates the intent of Greenbelt protection. Further to the careless Greenbelt site selection, [Redacted] has negligently proposed their facility occupy areas zoned Environmentally</p>	<p>As a reminder, the LT1 RFP is a reliability-based procurement where Proponents are responsible for obtaining the support of their local governing body in order to enter commercial operation. Per article 2.14 of the LT1 Contract, all Selected Proponents must obtain a Municipal Support Confirmation either at the time of Proposal submission to the LT1 RFP or otherwise no later than sixty (60) days, after the eighteen (18) month anniversary of the Contract Date. Municipalities are able to grant support or not, at their own discretion. The Municipal Support Confirmation is solely for purposes of the LT1 RFP or LT1 Contract, as applicable, and does not replace or impact applicable land use or environmental regulatory approvals required under applicable Laws and Regulations. The IESO is not a land-use, environmental or conservation regulatory authority. As such, the IESO will not be amending the LT1 RFP to add requirements related to the Greenbelt.</p> <p>The parameters of the LT1 RFP are designed to address the requirements set out in the Ontario Minister of Energy’s directive to the IESO in respect of the LT1 RFP dated August 23, 2023</p>

Question/Comment	IESO Response
<p>Protection (EP), Natural Linkage (NL) and Prime Agricultural Minimum area of influence (A-ORM) where they:</p> <ul style="list-style-type: none"> • interrupt the water balance: rainwater absorption, filtration, and release to the water table, • remove and block valuable arable agriculture lands from cultivation, • disrupt two active and bio-diverse wildlife corridors <p>Saying it's ok to be on the Greenbelt for [redacted] project sets a dangerous precedent and leaves the Greenbelt vulnerable. We request that the IESO to add a requirement to the Long-Term 1 Request for Proposal that projects CANNOT be located on Greenbelt lands.</p> <p>In 2005, the Greenbelt was created for the benefit of all Ontarians to "Prevent further loss of farmland and natural heritage. Restrict urban sprawl. Work with the Growth Plan to develop vibrant communities where people can live, work, and play". The Oak Ridges Moraine (ORM) is a special part of the Greenbelt and in 2017 the Greenbelt-incorporated-ORM vision was affirmed as "a continuous band of green rolling hills that provides form and structure to south-central Ontario, while protecting the ecological and hydrological features and functions that support the health and wellbeing of the region's residents and ecosystems." How exactly does an industrial outdoor battery storage facility fit into that?</p> <p>In September 2023 after significant public pressure, the Ontario provincial government reversed its decision on residential development in the Greenbelt. In fact, they promise further Greenbelt protections. In December 2022, the Federal Government set</p>	<p>issued pursuant to section 25.32 of the Electricity Act.</p>

Question/Comment	IESO Response
<p>a goal for “30-by-30” to sustain and increase biodiversity by protecting 30% of Canada’s land and water. Do not let the [Redacted] Energy Storage project be another inappropriate case for Greenbelt fragmentation, degradation, bio-diversity loss and an intensive public call to action.</p> <p>In October 2023, I was contacted by a group of passionate neighbours, the Greenbelt Water Keepers, to make me aware of the [Redacted] project proposed in Clarington’s Greenbelt. Despite the claim of [Redacted] outreach to the community in mid September 2023, the correspondence I received was misleading, and the timeline for public meeting very short. The proposal deadline of December 2023 makes this an urgent request.</p> <p>Please give this letter of opposition to the [Redacted] proposal your full consideration. I eagerly await a response to confirm receipt of this letter and your next steps.</p>	
<p>16) We have two questions related to the Evidence of municipal support:</p> <p>1) The prescribed form for Evidence of Municipal Support states that a Municipal Support Resolution must include, among other requirements, the Maximum Contract Capacity of the Project. Please clarify if the Maximum Contract Capacity must match the Maximum Contract Capacity in our bid submission or is it possible to have the Maximum Contract Capacity stated in the form of Municipal Support Resolution higher than the Maximum Contract Capacity included in our bid? Please confirm if this example is acceptable:</p> <p>The Form of Municipal Support Resolution identifies “100MW” or “Up to 100MW” and</p>	<p>1) The proposed Maximum Contract Capacity submitted as part of a Proposal must be equal to or less than the Maximum Contract Capacity stated for community engagement and Municipal Support Confirmations.</p> <p>A reduction of the proposed Nameplate Capacity where community engagement and public records (including Municipal Support Confirmations) have identified the expected Nameplate Capacity as “up to” or “no more than” a specified maximum amount (or equivalent description) would not necessitate a new public community meeting or new Municipal Support Confirmation.</p> <p>However, if a Proponent has increased the proposed Nameplate Capacity of the Long-Term Reliability Project after the original public community meeting or Municipal Support Confirmation, a new meeting or Municipal</p>

Question/Comment	IESO Response
<p>the actual Maximum Contract Capacity of the bid submitted is 80MW.</p> <p>We receive municipal support before our bids are finalized so this flexibility to have the Maximum Contract Capacity by the same or lower (higher would not be acceptable) than the Maximum Contract Capacity identified in the Municipal Support Resolution seems reasonable and would avoid last minute council meetings to adjust the Maximum Contract Capacity included within the Evidence of Municipal Support declaration.</p> <p>2) The Form of Municipal Support Resolution (Exhibit A) includes the following for the municipality's signature of the Municipal Support Resolution: <Signature lines for elected representatives. At least one signature is required.> Please confirm a non-elected representative such as the Chief Administration Officer (CAO). can sign the Form of Municipal Support Resolution provided they have received authority to do so from Council.</p>	<p>Support Confirmation would be required to meet the applicable requirements of the LT1 RFP.</p> <p>2) The Municipal Support Resolution should take whichever form is standard for the council in respect of its resolutions adopted at meetings. If it is common practice for the CAO to sign resolutions on behalf of and with authority from the council, then that would be acceptable for the purposes of a Municipal Support Resolution that otherwise substantially meets the form requirements.</p>
<p>17) In response to the IESO's response to Question 21c of Batch 2 of the IESO Q&A, the IESO stated "if the Nameplate Capacity changes after the public community meeting, an additional meeting, using the new Nameplate Capacity, would need to be held. The Proponent must also ensure that the requirement for posting the Nameplate Capacity on the Project Website are met in accordance with section 2.1(f)(i)(A) of the LT1 RFP."</p> <p>For clarity, due to unknowns in design prior to when community consultation needed to be completed numerous proponents stated the Nameplate Capacity as an "up to"</p>	<p>Proponents will not be required to hold another public community meeting if there is a reduction of the proposed Nameplate Capacity where community engagement and public records (including Municipal Support Confirmations) have identified the expected Nameplate Capacity as "up to" or "no more than" a specified maximum amount (or equivalent description).</p> <p>Please see the clarification in the response to Question #21c as per the revision to the LT1 RFP Question and Comment Period Batch 2 posted on November 21, 2023.</p>

Question/Comment	IESO Response
<p>capacity amount for example “the Nameplate Capacity is up to 100MW” opposed to saying the Nameplate Capacity is 100MW. In the event that proponents have stated on their project websites and in their consultations that the Nameplate Capacity is up to a certain MW value (eg. up to 100MW) please confirm that the proponent can submit their bid in below the Nameplate Capacity (eg. actual bid nameplate Capacity is 90MW) and that a bid in this scenario would not have to update their website or redo public consultation because the Nameplate Capacity would be in alignment with what was said publicly.</p>	
<p>18) Please see below a few questions from [Redacted].</p> <p>Question 1: Pursuant to Section 2.1(b) of the LT1 RFP, a prospective Proponent shall notify the IESO if: (a) the information submitted in respect of the Designated Team Members of the Qualified Applicant under the LT1 RFQ are no longer true or accurate; or (b) the Control Group Member(s) of the Qualified Applicant in respect of which the Qualified Applicant met the applicable Entity Development Experience Threshold under the LT1 RFQ have changed.</p> <p>As of the LT1 RFQ, we were unable to satisfy the Entity Development Experience Threshold but we now believe that we have the requisite experience to satisfy such threshold. Would the IESO consider allowing a prospective Proponent to submit, as part of its Proposal, evidence that it now satisfies the Entity Development Experience Threshold for Large-Scale LT1 Projects (and can therefore provide \$40,000/MW of Proposal Security)?</p> <p>Question 2: How does the IESO value the technology selection or differentiate between a bid that utilizes tier 1 Original Equipment</p>	<p>Question 1: No, as per Section 3.6(d)(ii) of the LT1 RFP, Proposal Security is determined in accordance with qualification (Entity Development Experience Threshold) under the LT1 RFQ.</p> <p>Question 2: The IESO does not evaluate Proposals based on detailed design aspects of the project (such as specific equipment). The LT1 RFP evaluation team will assess Proposals in accordance with Section 4 of the LT1 RFP. Suppliers who are awarded Contracts are responsible for building and operating their facilities in accordance with Good Engineering and Operating Practices such that they can fulfill their obligations under the LT1 Contract.</p>

Question/Comment	IESO Response
<p>Manufacturer (OEM) and other that use the lowest cost option?</p>	
<p>19) Please, find the following questions submission into LT1 Q&A Period Batch#3[Redacted]:</p> <p>Question #1: LT1 RFP Appendix D – FORM OF IRREVOCABLE AND UNCONDITIONAL STANDBY LETTER OF CREDIT provides that the Expiry Place shall be the “Counters of the issuing financial institution in Toronto, Ontario”. Please confirm if it is acceptable for a letter of credit to be drawn by presentation at a financial institution's counter in Mississauga (being part of the Greater Toronto Area).</p> <p>Question #2: IESO has confirmed through the Q&A that the Maximum Contract Capacity may be equal to the Maximum Continuous Net Output from the Deliverability Study. That, in turn, requires that the Nameplate Capacity as defined in the LT1 Contract be equal to the Contract Capacity divided by 95%.</p> <p>2.1) Can IESO clarify where the Nameplate Capacity is to be measured? E.g. at the Point of Interconnection, or at the inverter terminals? Additionally, does the nameplate capacity in MVA have any bearing on the above requirements for Nameplate Capacity, or just MW?</p> <p>2.2) The implication of the Q&A answer above is that the LT1-contract-defined Nameplate Capacity may be larger than the Maximum Continuous Net Output that was studied in the Deliverability Study. In fact, the LT1 RFP states that the Nameplate Capacity in MW in the LT1 contract may be as high as the apparent power in MVA that was studied in the Deliverability Study. Do results of Deliverability Test Nameplate Rating (MVA) consider a particular power factor that the Transmission Service Provider will require and it's impact on the real power rating?</p> <p>Question #3: If a Supplier chooses to utilize the MCIA Li</p>	<p>1) The IESO views the requirement of having local counters in Toronto (either by the issuing financial institution or a local affiliate) for purposes of enabling IESO enforcement on the letter of credit to be a substantive element of the required form. The IESO must be able to draw on the letter of credit locally in the city of Toronto.</p> <p>2.1) The nameplate capacity will be measured at the point of interconnection. When expressed in MW, the Nameplate Capacity refers to the rated active power which is different than apparent power for when the nameplate capacity is expressed in MVA.</p> <p>2.2) The Market Rules require that the power factor should not be lower than 0.9.</p> <p>3) Per section 2.13(b) of the LT1 Contract, the Supplier is enabled, but is not required, to enter into a non-refundable deposit for storage equipment at a date earlier than the eighteen (18) month anniversary of the Contract Date and in such case will, by notice to the IESO, be able to trigger the “MCIA Effective Date” at such earlier date. If the Supplier does not do so, the MCIA Effective Date (the date the on which the MCIA is calculated) will be the eighteen (18) month anniversary of the Contract Date.</p> <p>4) Yes, it would be acceptable to update the applicable Qualified Applicant’s bank account and HST information provided in the Prescribed Form: Proponent Information, Declarations and Workbook as part of the execution process for the LT1 Contract.</p> <p>5) The Workbook contacts are primarily intended to be used during the procurement process and the Proponent will have the opportunity to provide updated notice and contact information for inclusion in s. 15.7 of</p>

Question/Comment	IESO Response
<p>Index, is there a requirement for the Supplier to have placed a non-refundable deposit or to have entered into a binding agreement for storage equipment prior to the eighteen (18) month anniversary of the Contract Date? If the Supplier has not placed a non-refundable deposit on or entered into a binding agreement for storage equipment by the eighteen (18) month anniversary of the Contract Date, will the Buyer calculate the MCIA Effective Date on the eighteen (18) month anniversary of the Contract Date? If the Supplier places a non-refundable deposit on or enters into an agreement for storage equipment after the eighteen (18) month anniversary of the Contract Date, does the Supplier need to provide an exhibit M to Buyer?</p> <p>Question #4:</p> <p>The Prescribed Form: Proponent Information, Declarations and Workbook includes items in the Proponent Payment Account Information section to populate related to bank account information for the applicable Project Proponent, and it appears that the IESO expects to populate s. 5.5 of the LT1 contract with this information if the Proponent’s submission is successful. Many Proponents will likely be project-specific special purpose entities that are controlled by a Qualified Applicant but do not currently have their own bank accounts or HST numbers (and would not normally be expected to establish these unless and until they are successfully awarded an LT1 Contract). Can you please confirm whether it would be acceptable to either (i) provide the applicable Qualified Applicant’s bank account and HST information as part of each Proponent submission or (ii) leave this section of the Workbook blank, and then if a Proponent is successful be able to obtain and provide updated information for inclusion in s. 5.5 of the LT1 Contract?</p> <p>Question #5:</p>	<p>the LT1 Contract as part of the execution process for the LT1 Contract.</p> <p>6) Yes, the interpretation of the dates required in Appendix D- Form of Irrevocable and Unconditional Standby Letter of Credit is correct. The date to be entered next to the phrase “Proposal dated” is the date that the Proposal is submitted, which could be on or before December 12, 2023.</p>

Question/Comment	IESO Response
<p>The Prescribed Form: Proponent Information, Declarations and Workbook includes items in the Contact Information section to populate for primary contact, secondary contact, and the Proponent itself. Could you please confirm whether this information is expected to be inserted directly into s. 15.7 (Notices) of the LT1 Contract, in which case, should the secondary contact information be completed in respect of a Proponent’s external legal counsel to which it would like copies of any legal notices under the Contract to be sent? Or in the alternative, could you please confirm if these Workbook contacts are primarily intended to be used during the RFP process and the Proponent will have the opportunity to provide updated information for inclusion in s. 15.7?</p> <p>Question #6:</p> <p>LT1 RFP Appendix D – Form of Irrevocable and Unconditional Standby Letter of Credit requires the Proposal Date and Beneficiary’s Request for Proposal Date to be entered in the first paragraph. Please, confirm if these dates are the correct interpretation, or provide definitions for both. “Proposal dated” = December 12, 2023, to reflect the bid deadline “Beneficiary’s Request for Proposals Dated” = September 29, 2023, to reflect the issuance date of the final RFP document.</p>	
<p>20) Please kindly find the list of questions about the LT1 RFP requirement on the Proposal Security. As the Proposal Deadline is upcoming, your kind and prompt feedback would be highly appreciated so that we can prepare our proposal in compliance with the requirements of IESO under the LT1 RFP:</p> <p>1. What is the process for obtaining the IESO’s approval for deviations from the form of Proposal Security attached as Appendix D of the LT1 RFP?</p>	<p>1. The IESO will not accept substantive deviations in the form of Proposal Security. The IESO will not review or approve forms of Proposal Security prior to the Proposal Submission Deadline. Please see the response to Question #13(b) in LT1 RFP Question and Comment Period Batch 2.</p> <p>2. Confirmed, please see the response to Question #11 in LT1 RFP Question and Comment Period Batch 2.</p>

Question/Comment	IESO Response
<p>2. Please confirm that the Proposal Security requirements of the LT1 RFP may be satisfied by the issuance of multiple Letters of Credit on behalf of the Qualified Applicant and an applicable Control Group Member of the Proponent.</p> <p>3. Please confirm that, if multiple Letters of Credit are issued to satisfy the Proposal Security, the form of each letter issued does not need to be identical, so long as any deviated form of LC submitted has been approved by IESO.</p> <p>4. Please confirm that within a single envelope specified by section 3.6(d)(i), the Proponent may provide one original copy for each irrevocable and unconditional standby letter of credit that is issued to satisfy the Proposal Security amount.</p> <p>Look forward to hearing from you as soon as possible.</p>	<p>3. The form of each Letter of Credit issued to satisfy the Proposal Security does not need to be identical so long as it is substantially consistent with the form in Appendix D to the LT1 RFP. Proponents are strongly encouraged to submit each letter of credit in the form of Appendix D – Form of Irrevocable and Unconditional Standby Letter of Credit.</p> <p>4. Confirmed, Proponents may provide one original copy of each Letter of Credit within a single envelope as per the requirements specified in section 3.6(d)(i) of the LT1 RFP.</p>
<p>21) Q1 Does Eligible Expansion have to be Qualified Applicant ?</p> <p>Q2 Does Eligible Expansion Proposal Security amount depend on meeting the Entity Development Experience Threshold, or is it only dependent on the LT1 project nameplate capacity?</p> <p>Q3 Please, confirm that the following is correct interpretation of the dates in the LT1 RFP Appendix D – Form of Irrevocable and Unconditional Standby Letter of Credit 'Beneficiary's Request for Proposal dated' = September 29, 2023, which is the Final RFP release date. 'Proposal dated' = December 12, 2023, which is the bid deadline.</p>	<p>Q1 No, an Eligible Expansion Counterparty does not have to be a Qualified Applicant. An Eligible Expansion Counterparty is defined as the "owner of an Eligible Existing Facility or an Affiliate of such owner".</p> <p>Q2 Where the Proposal is in respect of an Eligible Expansion, the amount of the Proposal Security is based solely on the Maximum Contract Capacity of the project. Please section 3.6 (d)(ii) of the LT1 RFP for details.</p> <p>Q3 The final LT1 RFP is dated September 29, 2023, and this is the date that should be entered next to the phase "Beneficiary's Request for Proposal dated" in the first paragraph of Appendix D – Form of Irrevocable and Unconditional Standby</p>

Question/Comment	IESO Response
	<p>Letter of Credit. The date to be entered next to the phrase "Proposal dated" in the same paragraph is the date that the Proposal is submitted, which could be on or before December 12, 2023.</p>
<p>22) As a Qualified Applicant for the LT1 RFP, we have the following questions for the IESO as it relates to the RFP:</p> <ol style="list-style-type: none"> 1. If a Supplier fails to get Municipal Council Support Resolution using Commercially Reasonable Efforts, can the Supplier invoke Force Majeure until the Supplier is entitled to Terminate the Agreement under the timelines set out in article 11.f of the LT1 Contract – in which case the Completion and Performance Security would be returned? 2. To follow-up on some of the Q&A in Batch 2, are the GPS coordinates of the Connection Point allowed to change between the Deliverability Test and the RFP submission if the Connection Point (ie. feeder & transformer or distribution station) does not change? 	<ol style="list-style-type: none"> 1. Under the LT1 Contract, failure to obtain a Municipal Council Support Resolution is explicitly excluded from the definition of Force Majeure under Section 11.3(i) of the LT1 RFP. Where a Municipal Support Resolution is not provided to the IESO by the deadline set out in the LT1 Contract, this constitutes a Supplier Event of Default, pursuant to which the IESO may terminate the contract and return the Completion and Performance Security. 2. See question #1 in LT1 RFP Question and Comment Period Batch 1. GPS coordinates included on page 2 of the Deliverability Test are specifically not included in the Proponent Information Declarations and Workbook information required for description of the "Connection Point" for purposes of the LT1 RFP or the LT1 Contract. <p>However, for purposes of Section 2.1(e)(iii) of the LT1 RFP and the subsequent deliverability testing that occurs in Stage 5 of the evaluation process under the LT1 RFP (described in Section 4.5 of the LT1 RFP) the IESO will assume the same GPS coordinates that were included in the original Deliverability Test for consistency. Proponents are reminded that the Deliverability Test results are distinct from, and in addition to, any Connection Impact Assessment, System Impact Assessment or Customer Impact Assessment required pursuant to Laws and Regulations. The Deliverability Test results do not ensure the</p>

Question/Comment	IESO Response
	<p>ability to connect a Long-Term Reliability Project or at any assumed cost.</p>
<p>23) Please see the final set of questions from [Redacted]:</p> <ol style="list-style-type: none"> 1. Following up on question 22.a of the Q&A Batch 2, will the IESO return the Completion and Performance Security for a contracted project if Hydro One will not interconnect the Facility? <ol style="list-style-type: none"> a. For example, a project may not be able to comply with recent Hydro One setback requirements and be unable to work out a resolution with Hydro One despite the project (i) following the latest safety codes and standards for remote battery energy storage systems like the National Fire Protection Association code 855 and (ii) provided a Self-Certification Document to Hydro One following their guidelines, to ensure the design and operation of battery energy storage systems. 2. Following the definition of "Qualifying Hours" within the LT1 contract, if Buyer revises that continuous 16-hour period, will Buyer allow for a charging period for the batteries between the former period of 7:00 to 23:00 EST and the new 16-hour period? <ol style="list-style-type: none"> a. As an example, Buyer could change the Qualifying Hours to be 24:00 to 15:00 EST, which would not allow for the batteries to charge after the last 7:00 to 23:00 EST period 3. Could a Supplier rely on section 11.3(i) of the Contract to claim Force Majeure if, following the issuance of a CIA by Hydro One, the parties were unable to settle/agree on the terms of one of the material agreements to be entered into between Hydro One and a customer as required by the Hydro One connection process (the Connection Agreement, CIA Study Agreement or the CCRA for example) and the Facility was not able to connect? 4. If the Supplier only holds beneficial title to 	<ol style="list-style-type: none"> 1. The circumstance described would appear to constitute a Force Majeure if the requirements of Section 11.3(e) of the LT1 Contract are met. So long as the Supplier is using Commercially Reasonable Efforts to remedy the situation, the Force Majeure may continue until either Party is entitled to terminate the LT1 Contract under the timelines set out in article 11.1(f) of the LT1 Contract – in which case the Completion and Performance Security would be returned. 2. The LT1 Contract does not restrict the hours in which an Electricity Storage Facility can charge. The use of "Qualifying Hours" in the LT1 Contract is solely for purposes of the Must Offer Obligations that apply during Qualifying Hours. 3. A Supplier may be entitled to invoke a Force Majeure if the requirements of section 11.3(i) of the LT1 Contract are met. However, a Supplier is not entitled to invoke a Force Majeure when a Connection Impact Assessment, System Impact Assessment or Customer Impact Assessment is obtained and enables connection, but imposes a cost on the Supplier for such connection that the Supplier considers unfeasible, and the Supplier fails to achieve Commercial Operation by the Longstop date, then this would constitute a Supplier Event of Default, subject to which the IESO may terminate the Agreement, and the Completion and Performance Security may be forfeited, or liquidated damages may be assessed in the amount of the Completion and Performance Security. 4. No, the LT1 Contract requires that the Supplier be the legal and beneficial owner of the Facility.

Question/Comment	IESO Response
<p>the project assets (while legal title is held by an Affiliate), would the Buyer still deem the Supplier to be the owner of the Facility, per section 7.1(i) of the Contract?</p> <p>5. Is it possible to include an Executive Summary of the proposed projects, and if so, where should it be included?</p>	<p>5. Proposals will be evaluated on the basis of all materials in section 3.6(c)(i) and section 3.6(d)(i) of the LT1 RFP. All other materials will not be considered during evaluation.</p>
<p>24) We have the following Questions:</p> <ul style="list-style-type: none"> • (a) Legal name of Proponent: <ul style="list-style-type: none"> o We are in the process of forming a special purpose company (SPV), controlled by the Qualified Applicant, with the intent that upon reaching COD the ownership of the SPV is transferred to the other party, who is also the owner of the site that will host the LT1 project. In our bid submission and community engagement plan, can we refer to the legal name of the Qualified Applicant, because we are encountering a delay in incorporating the SPV? o Does the IESO allow for creation of such an SPV, controlled by the Qualified Applicant, after bid submission? o If the SPV is created after the community engagement public meeting, does the public have to be informed of the creation of the SPV even though all other project details stay the same? • (b) Letter of Credit: <ul style="list-style-type: none"> o Is our interpretation correct that the Letter of Credit can be in the name of our business partner, as long as there is reference to the Qualified Applicant? • (c) Request extension of Bid Submission Date <ul style="list-style-type: none"> o We kindly request an extension until January 16, 2024 	<p>(a) In the circumstances described (where the legal name of the Qualified Applicant is used for community engagement records and other documents required for the Proposal Submission) the named Proponent would need to be the same as the Qualified Applicant. The entity names used for Proposal Submission materials must in all cases match the name of the Proponent.</p> <p>The LT1 RFP does not allow for a change of the legal entity constituting the Proponent during the procurement process. The entity that is the Proponent must be the same entity that executes the LT1 Contract.</p> <p>Under Section 16.5(b) of the LT1 Contract, it is permitted to assign the LT1 Contract to an Affiliate of the original Supplier following execution of the LT1 Contract.</p> <p>(b) Correct, the “applicant” in the Letter of Credit does not need to be the same Person as the Proponent or Supplier. Note, however for purposes of Exhibit D of the LT1 RFP (the form of Proposal Security) the 1st paragraph of the Letter of Credit refers to “the Proposal... submitted by the Applicant.” So, if the applicant for the Letter of Credit is a party other than the Proponent, this paragraph will need to be conformed to refer to the named Proponent.</p> <p>(c) The IESO will not be adjusting the Proposal Submission Deadline at this time.</p>

Question/Comment	IESO Response
<p>25) I would like to clarify whether the following would render itself a Force Majeure event:</p> <p>A Battery Energy Storage System (BESS) site (Site) has gone through a preliminary Species At Risk Assessment which identified a few species on adjacent property that may be impacted by the development of the BESS. According to the birds' habitat categorization, the BESS Site would likely be qualified as Category 2 or 3. If the Proponent receives an LT 1 Contract, a Habitat Assessment will be conducted to identify whether a Survey is required. If a survey is required, the result of Survey would definitively conclude whether a permit from the Government Authority such as the Ministry of Environment Conservation Parks (MECP) is required.</p> <p>Under such circumstances, if the Proponent is awarded an LT1 Contract, and subsequently needs to apply for a permit for the Species At Risk and the permit is not granted following the Proponent's commercially reasonable efforts to obtain one, would the rejection of the permit qualify as an event of Force Majeure?</p>	<p>The definition of Force Majeure in Section 11.3 of the LT1 Contract requires that it be an "act, event, cause or condition on the affected Party could not reasonably have been anticipated as at the Contract Date and is beyond the affected Party's reasonable control." In the scenario described, it sounds like it may have been foreseeable that a Species at Risk Permit may have been required. Furthermore, the IESO's experience has been that most developers have been able to obtain Species at Risk Permits for applicable electricity developments by using Commercially Reasonable Efforts. Significant further context would be needed to evaluate the scope of the foreseeability of the species at risk regulatory requirements and the nature of the efforts used to obtain such regulatory approval, to determine whether Force Majeure relief could be available in these circumstances. Proponents are urged to consult with legal counsel and applicable Governmental Authorities on the nature of required regulatory approvals in advance of submitting Proposals into the LT1 RFP.</p>
<p>28)</p> <p>1 Referring to the LT1PF-PW300 Proposal Workbook, item 55 of the "Project information" sheet, requires "Address of the Long-Term Reliability Project, as provided in the Project's Deliverability Test submission". However, in our Deliverability Test Input sheet we populate this information with "N/A" since the parcel where we plan to develop and build the project has not an official Municipal address. Can the IESO please confirm that in this case, putting again "N/A" is correct? If this is not correct, what other information should be provided?</p>	<p>1 In this case, a submission of "N/A" for item 55 of the LT1PF-PW300 Proposal Workbook would be correct. However, the Proponent would be required to submit the GPS coordinates of the Project Site in items 58 and 59 of the LT1PF-PW300 Proposal Workbook in order to identify the location of the project.</p> <p>2 The level of detail required for these items has not been prescribed as it may vary. Proponents are responsible for ensuring that the information they provide for these items best describes the interconnection and description of</p>

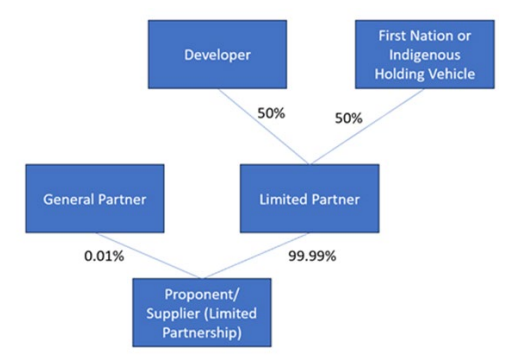
Question/Comment	IESO Response
<p>2 Referring to the LT1PF-PW300 Proposal Workbook, item 51 and items 60 to 64 of the "Project information" sheet require descriptions of the interconnection and the facility. i) Can you provide what is the minimum level of detail do you need for these items? ii) how detailed and lengthy should be the written descriptions? iii) Are single line diagrams needed? iv) Are facility layouts needed?</p>	<p>their Facility. GPS coordinates of the physical point of interconnection are not required for these details.</p>
<p>3 Referring to the LT1PF-CE200 Community Engagement Requirements. Regarding the screenshots to be provided in Section 2, b), c) and h), we need to clarify the following: i) Is any specific formality required such as an equivalent of "materialization" (a public notary connects to a specific website and confirm the existence of a determined information)? ii) Is there any minimum information that needs to appear on the screenshots (website url, date and hour, etc.)?</p>	<p>3 No, Proponents are required to submit accurate screenshots of postings on the Project Website at the time of Proposal Submission. However, as stated in the instructions in Exhibit A of the Prescribed Form: Community Engagement Requirements, each screenshot or other documentation must clearly show the date and the URL of such screenshot or other documentation. The contents of the screenshots must remain unchanged on the Project Website until the Proponent is notified of the outcome of this LT1 RFP. See section 2.1 (f)(i)(A) of the LT1 RFP.</p>
<p>4 Regarding the Municipal Support Resolution, IESO authorizes Support Municipal Resolution dated from February 17th, 2023 but Deliverability Tests Results were published only at the end of September 2023. To this extent, the Unique Project ID was known only after that date. Since we obtained some Support Municipal Resolution prior to the Deliverability Tests Results, can the IESO confirm if the information to be included in the Support Municipal resolution re Project ID can be the information as provided in Deliverability Test input is fine (LT1-RFQ-xxx-x) (and does not needs to include the alternative of connection (last number of the Project ID: LT1-xxx-x-x))?</p>	<p>4 Yes, in this scenario the Unique Project ID provided Exhibit A of Prescribed Form – Evidence of Municipal Support may either be left blank or may be the Project ID as provided for the Final Deliverability Test Input Data Form. However, the Project Name and Legal Name of Proponent provided in Exhibit A of Prescribed Form – Evidence of Municipal Support must be consistent with the information provided in Section 1 of the same form.</p> <p>The Project ID provided in Section 1 of the Prescribed Form – Evidence of Municipal Support must be the Unique Project ID.</p>
<p>5 Based on a strict interpretation of the definition of "Term", we may consider that the Agreement does not provide a termination right if by reason of Force Majeure the Supplier is unable to perform or comply with its obligations</p>	<p>5 Thank you for your suggestion, but the IESO will not be making further amendments to Section 11.1(f) of the LT1 Contract. Force Majeure that occurs prior to the Commercial Operation Date serves to extent the Milestone Date for Commercial Operation or the Long-Stop Date (as applicable) in accordance with Section 11.1(a) of the LT1 Contract. In the event of ongoing, long-term Force Majeure prior the commencement of the Term, the common law</p>

Question/Comment	IESO Response
<p>(other than payment obligations) for more than aggregate of thirty-six (36) months in any sixty (60) month period prior to the Term, meaning before the Commercial Operation Date. However, this outcome does not appear to be the intention of the IESO based on IESO's response to Question #7 in Batch 2 of the LT1 RFP Questions and Comments where IESO provides that a Supplier could invoke the prolonged Force Majeure rights under Section 11.f of the Agreement if the same cannot achieve Commercial Operation by the Milestone Date for COD due to not being able to obtain a Connection Impact Assessment, Customer Impact Assessment of System Impact Assessment despite using Commercially Reasonable Efforts and such failure could not reasonably be anticipated and is beyond the Supplier's control. Given the ambiguity, we would suggest that the reference "During the Term" be replaced by "From the Contract Date" in clause 11.1.f).</p> <p>Suggested drafting herein: "If, by reason of Force Majeure, the Supplier is unable to perform or comply with its obligations (other than payment obligations) hereunder for more than an aggregate of thirty-six (36) months in any sixty (60) month period during the Term from Contract Date, then either Party may terminate this Agreement upon notice to the other Party without any costs or payments of any kind to either Party, except for any amounts that were due or payable by a Party hereunder up to the date of termination, and all security shall be returned forthwith."</p> <p>6 Referring to the LT1PF-MS200 form, specifically Exhibit A 'FORM OF MUNICIPAL SUPPORT RESOLUTION,' it requires stating the 'Maximum Contract Capacity of the Long-Term Reliability Project (in MW).' As an example and hypothetically, we have obtained a Municipal Support Resolution form signed by the corresponding municipality, indicating 150 MW</p>	<p>doctrine of contractual frustration could potentially be considered between the IESO and the Supplier to negotiate a mutually acceptable termination.</p> <p>6 Yes, in this scenario the Proponent would still be eligible to obtain Rated Criteria points for Local Governing Body Support Confirmation as the Maximum Contract Capacity in the Municipal Support Resolution form is described in the same manner as that submitted for the Deliverability Test. The proposed Maximum Contract Capacity submitted as part of a Proposal must be equal to or less than the Maximum Contract Capacity stated for community engagement and Municipal Support Confirmations.</p> <p>A reduction of the proposed Nameplate Capacity where community engagement and public records (including Municipal Support Confirmations) have identified the expected Nameplate Capacity as "up to" or "no more than" a specified maximum amount (or equivalent description) would not necessitate a new public community meeting or new Municipal Support Confirmation.</p>

Question/Comment	IESO Response
<p>as the Maximum Contract Capacity of the Long-Term Reliability Project. This aligns with the results from the Deliverability Test, where the IESO confirmed the project as 'deliverable but competing' for a Maximum summer continuous net output of 150 MW and Maximum winter continuous net output of 150 MW.</p> <p>However, we are planning to limit the Maximum Contract Capacity for this project to 142.5 MW. Please confirm that the current Municipal Support Resolution form, which indicates 150 MW, would be valid for obtaining the rated criteria points even if the Maximum Contract Capacity we will indicate in the LT1PF-PW300 Proposal Workbook is slightly lower (142.5 MW).</p>	
<p>29) We appreciate the information provided regarding the Long-Term Reliability Project. To ensure alignment with project requirements, we are seeking further clarification on the connection point specifications and public community meeting. Our questions are:</p> <p>Q1: Could you kindly provide more details or clarification on the flexibility regarding the connection point, particularly in terms of potential adjustments within a 1 or 2-kilometer radius? Additionally, if there are specific guidelines or considerations that we should be aware of in proposing such adjustments, we would appreciate your guidance.</p> <p>Q2: In the scenario where adjustments have been made to the project site boundaries after the public meeting notice, with no impact on the list of attendees, and the updated boundaries were presented during the public meeting. Could you please confirm whether these changes might potentially lead to the refusal of our community</p>	<p>Q1: See question #23</p> <p>Q2: If the correct boundaries of the Project Site were presented during the public community meeting and otherwise satisfy the requirements in section 2.1 (f)(i) of the LT1 RFP, and if all required notices of that public community meeting, based on the correct boundaries of the Project Site, have been delivered to applicable owners or occupants of adjacent lands in accordance with the requirements in section 2.1 (f)(ii), then it would not be necessary to conduct a second public community meeting.</p>

Question/Comment	IESO Response
<p>engagement requirements by IESO? Is it necessary to conduct a second public community meeting?</p>	
<p>30) 1/ We have a question related to the LC to be submitted as Proposal Security - Appendix C LT1 RFP - Standby LC</p> <p>Could the Applicant identified in the form of LC be a Sponsor unrelated to the Qualified Applicant or the Proponent as long as the Applicant is specified as:</p> <p>Applicant: Sponsor, on behalf of the Proponent or the Qualified Applicant</p> <p>[NOTE FROM ROB: EMAIL INCLUDED SCREENSHOT OF TOP OF APEENDIX D - LETTER OF CREDIT]</p> <p>2/ Further to the Deliverability Test results provided on Sept 18, we have engaged discussions and presentations to the different municipalities concerned by the potential BESS projects. Despite everyone willingness to work diligently, many municipalities have expressed concerns and sometime frustrations with the imposed timeline in a period that is very busy with budget planning. We are also seeing growing concerns from stakeholders on BESS projects and the timeline provides little time to adequately address the concerns. This is creating some negative press and reactions to BESS projects and the all energy industry in general. Therefore and in order to adequately address the concerns of local stakeholders and give the appropriate time to municipalities to analyze the proposed projects, we respectfully request an extension of the Proposal Submission Deadline to February 16, 2024. We believe</p>	<p>1) Correct – the “Applicant” for the Letter of Credit does not need to be the Proponent (or Qualified Applicant). However, in that case, the reference in the 1st paragraph of the form of Letter of Credit (Appendix D to the LT1 RFP) that refers to the Proposal “submitted by the Applicant” would need to be conformed to reference the actual named Proponent.</p> <p>2) The IESO will not be extending the Proposal Submission Deadline beyond December 12th, 2023.</p>

Question/Comment	IESO Response
<p>this extra time will actually save time later in the development process and does not impact the May 1, 2028 target for COD.</p>	
<p>31) Please see our questions below:</p> <ul style="list-style-type: none"> • Given the short window between deliverability testing results being published and the bid submission date, we recommend the IESO extend the Dec 12 submission date to allow Proponents more time to confirm the necessary documentation and agreements. An extension similar to what was granted in the Exp-RFP would enable a maximum number of well-prepared submissions. • The Prescribed Form – Access Rights Declaration requires that the Proponent submit a letter addressed to the IESO signed by the registered owner of the Property stating that the Proponent has the contractual right to acquire title to the Property. In the event that the contractual arrangements are with the executor of the estate of a recently deceased landowner, and probate proceedings have not been completed, please confirm that the IESO will accept a letter signed by the estate trustee of the registered owner in satisfaction of Part 2 question A on the noted form. Will any evidence supporting the estate trustee’s appointment be required? • The LT1 Contract defines “Economic Interest” to include a direct or indirect equity interest in a corporation, limited partnership or partnership.” For clarity, can the IESO confirm that it agrees the First Nation depicted in the org chart below qualifies as holding a 50% Economic Interest in the Proponent/Supplier, even though the First 	<ul style="list-style-type: none"> • The IESO will not be extending the Proposal Submission Deadline beyond December 12th, 2023. • In the event that title to a Property is in the process of probate proceedings, the IESO will accept a letter from the estate trustee of the registered title holder. The IESO may consider requesting additional documentation confirming the status of the estate trustee if that is not included with the letter. • In the organizational chart provided, the Indigenous Community or Indigenous Holding Vehicle directly owns 50% of a limited partner of the Proponent/Supplier (the chart doesn’t specify whether that limited partner is a corporation or other type of vehicle). But that limited partner itself owns 99.99% of the participating equity in the Proponent/Supplier. So in this circumstance the Indigenous Community or Indigenous Holding Vehicle would only hold a 49.995% Economic Interest in the Proponent/Supplier. • Successful Proponents must obtain consent from the IESO in order to change the location of the Project Site which would constitute a Contract Facility Amendment, by first notifying the IESO in writing of any requested change to the Project Site. A change in Project Site will be considered as a Supplier Event of default if the change is not consented to by the IESO. See article 2.1(b) of the LT1 Contract.

Question/Comment	IESO Response
<p>Nation does not directly hold equity in the Proponent/Supplier?</p>  <pre> graph TD Dev[Developer] -- 50% --> GP[General Partner] Dev -- 50% --> LP[Limited Partner] FN[First Nation or Indigenous Holding Vehicle] -- 50% --> GP FN -- 50% --> LP GP -- 0.01% --> PSLP[Proponent/Supplier (Limited Partnership)] LP -- 99.99% --> PSLP </pre> <ul style="list-style-type: none"> • Would the IESO allow a successful Proponent to build their project on a parcel of land not included in Project Submission documents, while keeping the connection point the same? • The IESO's current definition of Indigenous Community for the purposes of the LT1 RFP is: A First Nation in Ontario that is a "band" as defined in the Indian Act, RSC 1985, c I-5; or A Metis Community. Can IESO please confirm whether a First Nation that is a "band" as defined in the Indian Act and whose traditional territory is within Ontario but who is registered as a Quebec First Nation meets the definition of an Indigenous Community for the purposes of the LT1 RFP? 	<ul style="list-style-type: none"> • Yes, for the purposes of the LT1 RFP, a First Nation in Ontario that is a "band" as defined in the Indian Act, RSC 1985, c I-5 meets the definition of an Indigenous Community.
<p>32) I would like to submit the following two-part question for Batch 3 of the Q&A:</p> <p>A) Please could the IESO clarify if we should interpret "consistent" to mean "identical" with regards RFP Contract S2.1(e)(iii) "The proposed Maximum Contract Capacity and</p>	<p>A) Please see the response to Question #8.</p> <p>B) Please see the response to Question #22.</p> <p>The definition of Connection Point is defined in the LT1 Contract by reference to the details in Exhibit A of the LT1 Contract. GPS coordinates of the physical point of interconnection are not required to be specified in Exhibit A (or any</p>

Question/Comment	IESO Response
<p>the information in relation to the Connection Point in respect of the Long-Term Reliability Project must be consistent with that which is reflected in the results of the Deliverability Test”? Specifically, would a project be deemed to be in violation of this clause if the GPS co-ordinates of the Connection Point used by the Proponent in its application to the Deliverability Test are not identical to those used in the RFP Submission?</p> <p>B) Does the IESO have discretion to permit a slightly different GPS coordinate for the Connection Point that is described in Exhibit A of the Contract as was provided in the Deliverability Test, provided that the feeder line, transformer station or circuit information (as applicable) for the proposed connection remain the same?</p>	<p>other section) of the LT1 Contract. Only the name(s) of the circuit(s) and/or switching/transformer station that the Facility is connecting to are required.</p>
<p>33) We would like to request clarification or response in relation to the Long Term RFP documents to the following questions:</p> <p>If a corporation, incorporated under the laws of a foreign jurisdiction, which qualified as the Qualified Applicant from the IESO RFQ stage, has since undergone a change of its corporate legal form (assuming no change in ownership/control] such as changing it from “AG” to “GmbH” under German Corporate law - would this necessitate an update with the submission of a proposal to be included with the RFP forms? And if so, could you address where this would be included within the Notice of Change or elsewhere in the Prescribed Forms?</p>	<p>No. In this circumstance the IESO interprets there to have been no change to the identity of the Qualified Applicant and the Notice of Change would not be required as part of the Proposal materials.</p>
<p>34) We would like to request clarification or response in relation to the Long Term RFP documents to the following questions:</p>	<p>1) a. No, the items in section 2.1(f)(i)(A)(I) of the LT1 RFP must also be posted prior to the public community meeting.</p>

Question/Comment	IESO Response
<p>1) The LT1 RFP at s.2.1(f)(i)(A) requires that a Proponent post the items detailed in I, II,III on a Project Website. Can you confirm:</p> <p>a. Only Item II - the Notice of the Community Meeting must be posted 15 days prior to the date of a public community meeting. Items I and III may be posted at any time prior to the submission of the BID but must remain in place until the Proponent is notified of the outcome of the LT1-RFP</p> <p>b. At what milestone the Community and Indigenous Engagement Plan is required to be posted to the Project website as it does not seem to be listed within 2.1(f)?</p> <p>2) S. 2.1(f)(ii) of the LT1 RFP indicates that a Proponent shall, at least 15 days prior to the date of the public community meeting (...) deliver a notice of such public community meeting by means of an electronic mail, registered mail or courier. If the owner, or occupant refuses to accept delivery, and correspondence is returned to the courier or by registered mail – is the evidence of refusal to accept delivery sufficient to meet the requirements of Proponent under this section.</p> <p>3) If a proponent is unable to obtain delivery of a notice to one or more of the adjacent landowners 15 days prior to the date of the original public community meeting, and holds a second public community meeting – can the Proponent post notice to the Project website, and deliver notice only to those adjacent landowners who did not receive the notice to the first public meeting or do all parties identified within S. 2.1(f)(ii) A-C (LT1 RFP) need to be notified again about the second public meeting?</p>	<p>b. The Community and Indigenous Engagement Plan includes one or more public community meeting to discuss the Long-Term Reliability Project with members of the public at large. The notice for each public community meeting must be posted at least fifteen days prior to the date of such public community meeting. Proponents are encouraged to post the minutes of each public community meeting that is part of the Community and Indigenous Engagement Plan as soon as possible.</p> <p>2) Yes, evidence of refusal to accept delivery of the notice of the public community meeting would be accepted provided that evidence of delivery to the correct addresses and timestamps proving adherence to the 15-day notice requirement have been included as part of the supporting documentation.</p> <p>3) All parties would need to be notified about a second public community meeting as each public community meeting must be available to members of the public at large, collectively. See section 2.1(f)(i)(B) of the LT1 RFP.</p>

Question/Comment	IESO Response
<p>35) Our submission for this final round of questions on the LT1 RFP:</p> <ul style="list-style-type: none"> We respectfully request a one-week extension to the submission deadline for the LT1 RFP. A one-week extension would enable municipal-level processes and decision-making which could ensure submissions fully align with the requirements set out in the RFP. 	<p>The IESO will not be making further revisions to the LT1 RFP schedule.</p>
<p>36) 1. Lithium Adjustment</p> <ul style="list-style-type: none"> We understand that the IESO has reviewed prior feedback submitted regarding the lithium indexing formula and has elected not to include prior suggestions, however we continue to believe that this is an important topic and aspect that will result in unnecessary costs to ratepayers, or risk to project success, if the adjustment is not correctly implemented. Our analysis has found that the factors used in the MCIA formula in the contract result in an adjustment that is more sensitive than our cost base. An increase or decrease in lithium price would result in a disproportionate increase or decrease in the project economics as a result of the 0.25 factor applied being too high. This means that when the price of Lithium goes down, revenue goes down much more, jeopardizing the project. And when the price of Lithium goes up, revenue goes up much more resulting in a windfall. Particularly given the long time frames required for proponents to hold project pricing until contracts are awarded, we believe a functional adjustment mechanism is essential in order to avoid pricing in risk associated with holding project costs for six 	<ol style="list-style-type: none"> The IESO will not be making further revisions to the Materials Cost Index Adjustment calculation. The IESO will not be making further revisions to Section 16.7(c) or Section 16.8 of the LT1 Contract. The IESO will not be extending the Proposal Submission Deadline beyond December 12th, 2023.

Question/Comment	IESO Response
<p>months in an environment of uncertain lithium pricing.</p> <ul style="list-style-type: none"> • In addition, the formula as written exposes proponents to a metals cost adjustment that may not be relevant to their project, introducing new risks for projects that elect to use this formula. • We strongly recommend that the IESO re-evaluate this topic and allow proponents to specify the factors used on MCP, CPI and LiCP within their project bid up to the current values as a cap. This would be a minor adjustment that maintains the structure of the formula proposed by the IESO, and could have a significant impact in reducing risk and resulting costs for Ontario ratepayers. • For example, the current formula is $MCIAl_i = [0.45 (MCP_m / MCP_b) + 0.3 (CPI_m / CPI_b) + 0.25 (LiCP_m / LiCP_b)] \times FCP$. • To fix the formula the only change required would be to modify as follows: $MCIAl_i = [(0.45-M)*(MCP_m / MCP_b) + (0.3-C)*(CPI_m / CPI_b) + (0.25-L)*(LiCP_m / LiCP_b) + (M+C+L)] \times FCP$ where: <ul style="list-style-type: none"> • M is a number from 0 to 0.45 specified by the proponent • C is a number from 0 to 0.3 specified by the proponent • L is a number from 0 to 0.25 specified by the proponent • In this manner, each proponent can adjust the relative weight of any index up to a cap of 0.45, 0.3 and 0.25 and match their specific cost structure without imposing any additional risk on the IESO. • The addition of (M+C+L) at the end of the square bracket effectively just returns the overall adjustment factor to 1. 	

Question/Comment	IESO Response
<p>2. Legal Comments & Considerations</p> <ul style="list-style-type: none"> • IESO Contract, Section 16.7(c): We would ask the IESO to delete the following language in Section 16.7(c) as it is overly narrow: <p>“Except as otherwise provided for in Sections 16.6(a), 16.7(a) and 16.7(b), nothing in this Agreement restricts the transfer of ownership interests in the Supplier among the owners of such interests in the Supplier.”</p> <p>The three enumerated sections should be the only restrictions on transfer of ownership interests in the Supplier, irrespective of whether the transfer is to a third party or among the owners of such interests in the Supplier.</p> <p>IESO Contract, Section 16.8: We would ask the IESO to delete the reference to Section 2.7 and add references to Sections 2.10(a), 16.3, and 16.4.</p> <p>3. Additional Time: A one week delay on the bid submission deadline would be valuable in order to enable decision making from municipalities whose time frames, council meetings and board meetings are currently scheduled for the week and days after the current December 12th bid deadline.</p>	
<p>37) [Redacted] a qualified participant in IESO LT1 had a few questions we were hoping to have addressed:</p> <p>1) We will be submitting a battery energy [Redacted], for which we have received a 'deliverable but competing' result in the IESO LT1 deliverability test. For evidence of land access rights, we are working with [Redacted], which was established by the [Redacted] to manage its real estate portfolio. As part of our bid submission for the LT1 RFP, we will include evidence from</p>	<p>1) See question #3 of the LT1 RFP Question and Comment Period - Batch 2.</p> <p>2) a. Proposals cannot be withdrawn after the Proposal Submission Deadline and are considered as irrevocable as per section 3.6(f) of the LT1 RFP.</p> <p>b. After award of the LT1 Contract, the LT1 Contract may be terminated by the Supplier in the event of a Buyer Event of Default as per the requirements in article 10.4(a) of the LT1 Contract. Further, a Supplier may also terminate the LT1 Contract if the requirements of article</p>

Question/Comment	IESO Response
<p>[Redacted] confirming land access rights as per the requirements. Although [Redacted] will provide us with evidence confirming land access rights, they will still require internal board approval which cannot be obtained until the next [Redacted] board meeting which will be held in February, 2024. Will the IESO accept [Redacted] evidence confirming land access rights prior to their internal board approval in February, 2024? The [Redacted] has already issued a municipal support resolution for the use of our proposed site in the IESO LT1 procurement, so [Redacted] does not expect board approval to be unreasonably withheld.</p> <p>2) Proposal Security:</p> <p>a. After we submit our LT1 RFP bid for a project and post the required security, are we able to withdraw from the process prior to contract awards being announced and have security refunded?</p> <p>b. Assuming we were awarded a contract, are we able to withdraw from the process and have security refunded?</p> <p>c. Assuming we are awarded a contract, can you please confirm that if a project fatal flaw (such as environmental permits not being received prior to project COD) were to occur, this would be considered a force majeure event and security would be refunded in full?</p> <p>If there are any questions on the above, please don't hesitate to reach out.</p>	<p>11.1(f) of the LT1 Contract are met. In these events the Completion and Performance Security will be returned to the Supplier. A Force Majeure event prior to the Commercial Operation Date does not give rise to an entitlement to termination under the LT1 Contract.</p> <p>c. See question #7 of the LT1 RFP Question and Comment Period - Batch 2.</p>
<p>38) Q1/ Is there any risk related to projects (wind, solar, BESS or other technologies) starting a CIA/SIA application prior to LT1 results and taking the available capacity of the submitted LT1 projects that have received positive Deliverable results for the LT1 RFP?</p>	<p>Q1/Pursuant to Section 5.4(a)(ii) of the LT1 RFP, if a Proponent initiated a Connection Impact Assessment and is not selected to enter into an LT1 Contract under the LT1 RFP, the IESO requires evidence that such Connection Impact Assessment has been rescinded in order</p>

Question/Comment	IESO Response
<p>Q2/ Will IESO allow a Proponent to split a Long-Term Reliability Project into 2 proposals as long as the 2 proposals remain in the same boundaries of the Project Site that has been presented on the Project Website and at the public community meeting, has consistent Connection Point with the Delivery Test result and does not exceed in aggregate the presented Nameplate Capacity without restarting a new public community meeting process and establish a different Project Website?</p>	<p>to return the Proposal Security to such Proponent.</p> <p>Q2/ No. The Unique Project ID for any Proposal submitted into the LT1 RFP must correspond to the specific, unique project details included in the Deliverability Test. A Unique Project ID can only be used once for a single Proposal.</p>
<p>39) Please find 2 questions below regarding LT1.</p> <p>1. Following up from Q&A Batch 2 Q#21c, can the IESO confirm that if the nameplate capacity is reduced, that an additional public community meeting would not be required? The impact on the community would be smaller with a reduction in nameplate capacity, therefore what is the basis for an additional community meeting? A minor change (for example, within 2 MW) of the nameplate capacity presented at the public community meeting should be allowable without the need for an additional community meeting.</p> <p>2. The IESO has narrowed the definition of Indigenous Community in its most recent draft of the LT-1 RFP. The government of Ontario had previously recognized Indigenous communities that are not defined through the Indian Act nor being a Metis Community, but who represent the collective interests of a community that is composed of indigenous natural Persons in Ontario and gave them opportunities to participate in</p>	<p>1. Please see the response in Question #17.</p> <p>2. The definition of Indigenous Community for the purpose of the LT1 RFP has been developed over the course of the LT1 RFP process via engagement with Indigenous Communities, developers and in consultation with Ontario government ministries to incentivize partnerships with Indigenous Communities in Ontario. The Government of Ontario does not have a current mechanism for purposes of the LT1 RFP to designate an organization to represent the collective interests of a community that is composed of Indigenous Natural Persons in Ontario. The concept of Indigenous Holding Vehicle was introduced in the LT1 RFP to address stakeholder comments received and to enable participation by business organizations whose interests are held, directly or indirectly, solely by Indigenous Communities.</p>

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<p>past procurements, such as FIT5 and E-LT1. By removing these communities' eligibility, it removes a tool to enable wealth creation and independence for them. Additionally, this procurement has been ongoing for many months, as have discussions with potential Indigenous partners and partnerships, the IESO introducing this change well into the this RFP process means developers who have been working in earnest to establish relationships with Indigenous Communities as defined up until September 8, 2023 are now at a disadvantage.</p> <p>A. Can the IESO explain why they chose to remove certain communities from the definition of an Indigenous Community? Will the IESO revert back to the definition in the Sept 8, 2023 version of the LT1 RFP and Contract?</p> <p>B. This removal of item (b) from the definition of Indigenous Community inhibited our existing E-LT1 Indigenous Community Partner to partner on our LT1 projects with us. This change is restricting Indigenous Communities in Ontario from partnering on Ontario energy development projects in the LT1 procurement.</p>	