



Medium Term 2 RFPs (MT2 RFPs) Frequently Asked Questions, Comments and IESO Responses

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Document Change History

Version	Reason For Change	Date
1	Medium Term 2 RFPs Frequently Asked Questions	October 1, 2024

Frequently Asked Questions

The following questions have been submitted to the IESO via a number of channels, including via the MT2.RFP@ieso.ca inbox and through stakeholder engagement feedback. Capitalized terms used but not defined in this FAQ have the meaning given to them in the Market Rules, the MT2(c) RFP, the MT2(e) RFP, the MT2(c) Contract and the MT2(e) Contract, each as applicable.

This document will be continuously updated with questions and responses pertaining to the MT2 RFPs throughout 2024.

1. Eligibility

1.1. What facilities are eligible to participate in the MT2 RFPs?

Existing Facilities that are Qualified Facilities as defined in the MT2(e) RFP or the MT2(c) RFP, as applicable, are eligible to participate in the corresponding procurement.

For the MT2(c) RFP, a Qualified Facility is an existing and operating dispatchable generation facility that either previously was the subject of a contract, or is the subject of a contract that expires on or before April 30, 2029, with the IESO, the Ontario Power Authority or the Ontario Electricity Financial Corporation for the delivery of Electricity or capacity services. A variable generation facility, dispatchable load or hourly demand response resource are not eligible to participate in the MT2(c) RFP as a Qualified Facility.

For the MT2(e) RFP, a Qualified Facility is an existing and operating dispatchable generation facility, self-scheduling generation facility or variable generation facility that either previously was the subject of a contract, or is the subject of a contract that expires on or before April 30, 2029, with the IESO, the Ontario Power Authority or the Ontario Electricity Financial Corporation for the delivery of Electricity or capacity services. A dispatchable load or hourly demand response resource are not eligible to participate in the MT2(e) RFP as a Qualified Facility.

1.2. Are wind facilities that are currently contracted with the IESO under a RESOP contract eligible to participate in the upcoming MT2 RFPs?

Yes, as described in Section 2.1 of the MT2(e) RFP, wind facilities that are currently contracted under a RESOP contract are eligible to participate as a Qualified Facility in the MT2(e) RFP only, if they are able to meet the eligibility requirements in Section 2.1 and provided their RESOP contract will expire or terminate on or before April 30, 2029.

2. Contract

2.1. What revenue model will be used for the MT2(c) RFP and MT2(e) RFP?

Successful Proponents under the MT2(c) RFP awarded an MT2(c) Contract will be subject to a capacity-style contract with a Must-Offer Obligation, similar in nature the capacity-style contract utilized in the E-LT1 and LT1 procurements. The Monthly Payment by the IESO for these Proponents will be an amount that is based on a Fixed Capacity Payment and calculated in accordance with Exhibit J of the MT2(c) Contract.

Successful Proponents awarded an MT2(e) Contract will be subject to an energy-style contract where the Monthly Payment will be based on the Enhanced PPA (E-PPA) revenue model developed for the LT2(e) RFP through stakeholder feedback. The Monthly Payment by the IESO under the MT2(e) Contract is calculated by subtracting the Facility's imputed market revenues from the Facility's monthly revenue requirement (calculated via the Fixed Price and the Monthly Imputed Production Factor) as described in Exhibit J of the MT2(e) Contract.

2.2. How will the IESO treat a Facility that is awarded an MT2 Contract but has an existing contract that expires before the MT2 Commitment Period Start Date?

To account for any gaps between a Qualified Facility's current contract end date and the MT2 Commitment Period Start Date, the IESO will offer a bridging extension up to a maximum of 6-months. This extension will be applied to the existing contract of the Qualified Facility.

3. Additional Questions and Feedback Received

3.1. Will there be a deliverability process for the MT2 RFPs?

No, the IESO will not evaluate Proposals for deliverability as the MT2 RFPs are for existing, operating facilities that are already connected to the IESO-Controlled Grid or distribution system.

3.2. Will there be a rectification period for the MT2 Registration Process?

Yes, the IESO may issue a rectification notice to a Proponent if it identifies a perceived manifest error in the submitted Registration Form or Registration Fee.

3.3. How will the IESO qualify capacity or energy for my Facility?

As described in the [MT2 RFP Capacity and Energy Qualification Guidance document](#), the IESO will qualify the capacity or energy of a Qualified Facility on the basis of other facilities with the same technology type (independent of whether the facility participates in the real-time market as a self-

scheduling generation facility or a dispatchable generation facility) that are currently operating in the IESO-Administered Markets. When qualifying capacity, the IESO will average historical output from facilities within the same electrical zone if three or more such facilities exist within that electrical zone. If there are less than three facilities in the same electrical zone, the IESO will qualify capacity or energy based on the average historical output of all facilities with the same technology type in Ontario.