

MT2 RFP Question and Comment Period (December 18, 2024)

Questions and Comments

The following document summarizes IESO responses to the questions and comments submitted to the IESO in respect of the final MT2 RFP documents posted on November 15, 2024, that were submitted pursuant to section 3.2(a) of the Medium Term 2 Request for Proposals (MT2 RFP) prior to the Question and Comment Deadline.

Disclaimer

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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 MT2 RFP.

MT2 RFP

Question/Comment	IESO Response
<p>1) I'm reaching out to ask a question regarding the formulae described in the Medium Term 2 Energy Contract. In EXHIBIT J CALCULATION OF MONTHLY PAYMENT, on page 95, the formula for the DART calculation mentions the term IFDF, I cannot find the definition anywhere. Could you please help me with this interpretation.</p> <p>[please see email in the MT2 inbox for image]</p>	<p>IFDF reflected the intervening forced derate factor used in a previous iteration of the DARTA calculation. The IESO has found that this term is not required given other changes made to DARTA formula. The definition of this term was removed from the final MT2(e) Contract, however the IESO missed removing this term from the DARTA formula. It will be removed from the MT2(e) Contract in the Addenda.</p>
<p>2) I'm just following up on the below question – what is required for items #47 & 49? What should we list here? These are all active sites with the required approvals in place.</p> <p>Under the MT2(e) RFP, Section 3.7 c proposal requirements, item#3 under the excel workbook 'contact information' tab, can you please clarify if you require pdf copies of the environmental permits (item# 47) and/or connection agreements (item# 49) or just descriptions/names of the agreements to be listed in the workbook (no actual copies of the documents)?</p>	<p>Please list all environmental approvals and permits along with their status. if no new permits or approvals are required, please list all the current permits and approvals along with the status of approved. The IESO does not require an actual copy of these documents at Proposal submission.</p>
<p>3) The MT2 FAQ document indicates (excerpt below) that for generators that are awarded an MT2 contract and have an existing contract that ends before the commitment start date, the IESO will offer a bridging contract. Would you please confirm that the bridging contract would be based on the existing contract the generator has (including the existing fees/payments)? Our understanding per the text of the Minister of Energy's letter to the IESO dated Jan. 27, 2022 is that the terms of the bridging agreement</p>	<p>Yes, Per the Minister of Energy's directive to the IESO dated Jan. 27, 2022 the IESO shall offer contract extensions to contract counterparties whose facilities are successful in the MT RFPs. The contract extensions shall only be for a period of time that is after the expiry date of the contract counterparty's existing contract and before the earlier or (i) the start date of the applicable MT RFP Commitment Period; and (ii) the start date of the next Capacity Auction Obligation Period, provided that no such extension shall exceed a period of 6 months. All</p>

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<p>(including fees/payments) would be the same as the existing contract but we're reaching out to confirm for certainty.</p> <p>MT2 FAQ:</p> <p>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 with the IESO and the Commitment Period Start Date, the IESO will, as a separate process from the MT2(e) RFP and MT2(c) RFP offer a bridging extension up to a maximum of 6-months. This extension will be applied to the existing IESO contract of the Qualified Facility.</p>	<p>other terms in the contract counterparties' existing contract will remain unchanged.</p>
<p>4) IESO states in the Energy and Capacity Qualification document that 'At the time of proposal submission, Proponents will be required to submit 12 Monthly Imputed Production Factors that yield an Average Annual Production Factor (simple average of the 12 Monthly Production Factors) that is no less than the MinIPFAA and no greater than the MaxIPFAA'.</p> <p>If there is a change in facility's nameplate capacity for the Qualified facility in the proposal submission from the nameplate capacity that was submitted in the facility registration for the MT2-process and the calculated annual imputed production(based on the Monthly Production Factor for the facility) exceeds the maximum imputed production calculated by the IESO based on the submitted nameplate capacity during MT-2 registration, is the proponent allowed to submit the average annual imputed production factor based on the revised nameplate capacity for the Qualified facility even if it exceeds the maximum imputed production factor</p>	<p>No, per Section 2.1(b) of the MT2(e) RFP, for purposes of the MT2(e) RFP and the MT2(e) Contract the Annual Average Imputed Production Factor for the Qualified Facility, as set out in the Proposal, must be greater than the Minimum IPFAA and less than or equal to the MaxIPFAA determined by the IESO pursuant to Section 3.4. The requirement applies regardless of changes to the Nameplate Capacity at Proposal submission.</p>

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<p>calculated by the IESO during the time of registration ?</p> <p>Example- The proponent submitted 10 MW as the nameplate capacity during registration and received a maximum imputed production factor of 25% from the IESO. If there is a change in nameplate capacity and the proponent is submitting 8 MW in the proposal submission and assessed its Average Annual Imputed Production Factor as 28% for the new nameplate capacity(8MW), can the proponent submit 8 MW as a contract capacity and 28% as the Average Annual Production Factor based on the 12 Monthly Imputed Production Factors?</p>	
<p>5) MT2C RFP Section 3.6 Proposal Requirements: All Prescribed Forms populated with relevant information from the Proponent must be signed by a director, officer or other person who has the authority to bind the Proponent. There is no section for signature on Prescribed Form "Proposal Workbook (Capacity) – MT2(c)PF-PW100" . Would you please confirm that no signature is required in the specific form/file "PF-PW100"?</p> <p>Proposal Submission Label: "Registration ID" would you please confirm "Registration ID" is the same as Unique Project ID?</p>	<p>No signature is required for the Proposal workbook as it is attached as Exhibit A to Prescribed Form: Proponent Information, Declarations and Workbook (Capacity) – MT2(c)PF-PI100 which does require a signature.</p> <p>Yes, Registration ID is the same as Unique Project ID.</p>
<p>6) We a further clarifying questions with regards to your answers below re: Proposal Workbook (Capacity) - MT2 (c) PF-PW100:</p> <p>Question 1: re: Field 52: Facility Overview and Field 53 Facility Site Description</p>	<p>Question 1: Please use Exhibit A Section 1.0 "Overview" of the existing CHP1 contract to populate Field 52 "Facility Overview" and use the information contained within Exhibit A Section 1.1 "Site Description" of the existing CHP1 contract to populate Field 53 "Facility Site Description" in the form.</p>

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<p>In your previous response, you noted the following:</p> <p>7. The Facility Overview is a brief summary of the information contained in the Facility Site description below used to populate the "Site Description" section of Exhibit A of the MT2(c) Contract. Barring any changes this would be the same as in Exhibit A Section 1.1 Site Description of the CHP1 contract."</p> <p>8. Facility Site Description will be used to populate the "Site Description" section of Exhibit A of the MT2(c) Contract. This item should include details such as size of the project site, zoning of land, relevant usage and physical properties of the site and name of the municipality/county.</p> <p>Please note that the existing information in Exhibit A Section 1.1 Site Description in our existing CHP1 contract includes the size of the project site, relevant use (buildings) and municipality; accordingly, if we use this information to populate both Field 52 and 53, there will be some duplication of the information included in both fields. Would you please confirm if this duplication is acceptable or, if we should use the information contained in Exhibit A Section 1.0 "Overview" of our existing contract to populate Field 52 "Facility Overview" in the form and use the information contained within Exhibit A Section 1.1 "Site Description" of our existing contract to populate Field 53 "Facility Site Description in the form?</p> <p>re: Field 54 "Facility Design" and Field 55 "Major Equipment"</p> <p>In your previous response, you noted the following:</p> <p>9. Facility Design and Major Equipment Section will be used to populate the "Facility Design and Major Equipment</p>	<p>Question 2: The IESO would be looking for an overview like the one contained in Exhibit A Section 1.2 "Project Design and Major Equipment" of the existing contract updated with current information.</p>

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<p>and Nameplate MVA Rating” section of Exhibit A of the MT2(c) Contract. This item should include details of the major equipment that is material to the Facility (e.g., generators, transformers, battery units, turbines, etc.).</p> <p>Would you please clarify what specific type of information the IESO is looking for in the “Facility Design” field (i.e. how would that information differ from the description of the Major Equipment)?</p> <p>Noting that Exhibit A Section 1.2 “Project Design and Major Equipment” of our existing contract includes the following description:</p> <p>[Facility Details Redacted]</p>	
<p>7) Thank you for the opportunity to participate in the RFP. We have a couple of questions.</p> <p>Can we withdraw during the time frame between the Submission Proposal Deadline and the notification date (between the time frame of January 9, 2025 and April 1, 2025)?</p> <p>Are we supposed to review the PPA and submit an issues list or redline? If not then if selected to move forward, is there ability to negotiate the terms or should we be comfortable with the version provided in the RFP?</p>	<p>Proponents may withdraw a submitted Proposal before the Proposal Submission Deadline and their Proposal Fee will be returned. Proponents may not withdraw a submitted Proposal following the Proposal Submission Deadline.</p> <p>Proponents will not be able to negotiate the term of the MT2 Contract. The version of the MT2(e) or MT2(c) Contract, as applicable, attached to the corresponding RFP will (subject to any Addenda) be the contract offered to successful Proponents.</p>
<p>8) Please find below a question on MT2 eligibility. On a separate note, are responses to the last round of feedback in process? [name redacted] submitted feedback November 13 and have not seen anything posted publicly.</p> <p>Eligibility</p>	<p>For the MT2(e) RFP, a Qualified Facility does not need to be a <i>registered facility</i> at the time of Proposal submission, however it must be registered under the Market Rules as a <i>registered facility</i> to satisfy the Pre-Term Capacity Verification requirements of the MT2(e) Contract.</p>

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<p>The requirements section from the RFP is below [2.1/2.1(a) of MT2(e) RFP] As I read it carefully a facility does not need to be a registered facility at the time of bid but must be a registered facility to meet the Pre-Term Capacity Verification requirements (90-180 days prior to MT2 contract start date). Can you confirm this is correct?</p> <p>Specifically a distribution connected project could meet the definition of a Qualified Facility by being an existing and operating facility with > 1MW Nameplate Capacity. This facility would be eligible to bid even if they are not currently a registered facility, but they would need to become a registered facility to meet the Pre-Term Capacity Verification requirement.</p>	
<p>9) Question#1 - Environmental Attributes and Future Products/Related Products. Within MT2(c) Contract it states that all market revenues and all revenues from other attributes or products generated from the physical operation of the Facility "will be for the benefit of the Supplier" (s. 2.2(c)(iii)). Yet the contract provides that the IESO has an "interest" in Future Capacity Related Products (s. 2.6(a)). What does this mean?</p> <p>Question#2 - Implementation of GHG-related legislation Within MT2(c) Contract in Article 2 and Article 13, If GHG Limitations are implemented, then:</p> <ul style="list-style-type: none"> • Article 13 (Discriminatory Action) will not apply to those GHG Limitations (unless it's a provincial law and there are other aspects of the provincial law that constitute a Discriminatory Action); AND • the provisions of Section 2.9 are [Name Redacted]'s sole remedy. (s.2.9(a)) <p>Once GHG Limitations come into force, [Name Redacted] has the following</p>	<p>Question#1: Correct, under the MT2(c) Contract, any market revenues attributable to the operation of the Facility in the <i>IESO-administered markets</i> or from other attributes or products generated from the physical operation of the Facility, such as environment attributes, are to the Supplier's benefit. However as per section 2.7(b) of the MT2(c) Contract, the Supplier shall not, without the Buyer's prior written consent, which consent shall be subject to the Buyer's sole and absolute discretion, develop, register or monetize any Future Capacity Related Products during the Term. "Future Capacity Related Products" is defined as all Capacity Products that relate to the Contract Capacity and that were not capable of being traded by the Supplier in the IESO-Administered Markets or other markets on or before the Contract Date.</p> <p>Question#2: The IESO cannot describe which actions specifically would constitute "Commercially Reasonable Efforts" in this context without first knowing the nature of the GHG limitations implemented. Commercially</p>

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<p>obligations:</p> <ul style="list-style-type: none"> • provide the Buyer with a strategy for compliance (GHG Abatement Plan); • use Commercially Reasonable Efforts to mitigate or avoid the impact of the GHG Limitations; (s. 2.9(b), (c)) <p>What would “Commercially Reasonable Efforts” mean, in practice, in this context?</p> <p>Question #3 - Force Majeure - Point in time when Force Majeure takes effect Within MT2(c) Contract, Force Majeure is invoked with effect from the commencement of the event constituting Force Majeure when [Name Redacted] provides initial notice (Exhibit H) within 10 Business Days of either:</p> <ul style="list-style-type: none"> • the commencement of the event constituting Force Majeure; <p>OR</p> <ul style="list-style-type: none"> • the date when [Name Redacted] knew or ought to have known that the Force Majeure event could have a Material Adverse Effect. <p>If [Name Redacted] fails to provide the initial notice within 10 Business Days, it will be deemed to have invoked Force Majeure with effect from the date when it ultimately provides the initial notice (Exhibit H). (s. 11.1(b))</p> <p>How these new notice terms interact with the “exclusion” at 11.2(f). If [Name Redacted] is not bound to the 10 Business Day deadline for providing the initial triggering notice, then in what sense could it fail to comply with that notice provision at 11.2(f)?</p> <p>Question #4 - Force Majeure - General definition of Force Majeure Within MT2(c) Contract , “Force Majeure” means any act, event, cause or condition:</p> <ol style="list-style-type: none"> 1. that prevents a Party from performing its obligations (other than payment obligations) hereunder BUT only if and to the extent the impact 	<p>Reasonable Efforts are defined as efforts which are designed to enable a Party, directly or indirectly, to satisfy a condition to, or otherwise assist in the consummation of, the transactions contemplated by this Agreement and which do not require the performing Party to expend any funds or assume liabilities, other than expenditures and liabilities which are reasonable in nature and amount in the context of the transactions contemplated by this Agreement.</p> <p>Question #3 Section 11.1(b) includes a requirement to provide details of the effect of the Force Majeure and full particulars of the cause thereof, within the timelines set out in that Section. A failure to provide these details could trigger the exclusion in Section 11.2(f).</p> <p>Question #4: If the impact of an event or condition could have been mitigated or controlled by the Supplier, it is the responsibility of the Supplier to take such actions within its reasonable control. For example, a Supplier may submit a claim for Force Majeure where fuel supply is unavailable (see article 11.3(e) of the MT2(c) Contract). However, a Supplier may not claim Force Majeure where they caused the event by failing to procure or maintain fuel supply or delivery services or negligently causing a disruption in fuel supply.</p> <p>Question#5: A Notice of Discriminatory Action may be provided in accordance with Section 13.3 of the MT2(c) Contract if the action referred to in Section 13.1(a) directly reduces or precludes payment otherwise due to the Supplier or has the effect of increasing the costs that the Supplier would reasonably be expected to incur to satisfy the Must-Offer Obligation. Each occurrence could be the subject of a discreet Notice of Discriminatory Action, or, if both occur, they could both be described in a single Notice of Discriminatory Action.</p>

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<p>of such act, event, cause or condition on the affected Party:</p> <ol style="list-style-type: none"> 1. Could not reasonably have been anticipated as at the Contract Date; and 2. Is beyond the affected Party's reasonable control (s.11.3) <p>Why must the impact of the event be beyond our reasonable control, rather than the event itself?</p> <p>Question #5 - Discriminatory Action - Remedy: Discriminatory Action Compensation Within MT2(c) Contract, [Name Redacted] has the right to obtain compensation for:</p> <ul style="list-style-type: none"> • the amount of the payments otherwise due to the Supplier hereunder that are reduced or precluded; <p>OR</p> <ul style="list-style-type: none"> • the increase in the costs that the Supplier would reasonably be expected to incur to satisfy the Must-Offer Obligation (s.13.2) <p>MT2 defines Discriminatory Action as an action that reduces or precludes payments OR has the effect of increasing Supplier's costs. Yet MT2 provides that the compensation will take the form of EITHER compensation for foregone payments OR compensation for increased costs. If a Discriminatory Action could in theory reduce/preclude payments AND increase Supplier's costs, then why should the compensation take the form of EITHER foregone payments OR increased costs?</p> <p>Question #6 - Discriminatory Action - Remedy: Discriminatory Action Compensation Within MT2(c) Contract, [Name Redacted] has the right to obtain compensation for:</p> <ul style="list-style-type: none"> • the amount of the payments otherwise due to the Supplier hereunder that are reduced or precluded; <p>OR</p> <ul style="list-style-type: none"> • the increase in the costs that the 	<p>Question #6: For the MT2(c) Contract, the costs that a Supplier would reasonably be expected to incur as a result of a Discriminatory Action are limited to costs related to satisfying the Must-Offer Obligation.</p>

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<p>Supplier would reasonably be expected to incur to satisfy the Must-Offer Obligation (s.13.2)</p> <p>MT2 defines Discriminatory Action to include an increase in a broad array of costs: costs in respect of development, construction, operation and maintenance of the Facility, including costs related to satisfy the Must-Offer Obligation (13.1(c)).</p> <p>Yet the express language of the compensation clause (13.2) provides that the compensation is limited to only the costs incurred to satisfy the Must-Offer Obligation. Moreover, one of the notice clauses (s.13.3(a)(iii)) also provides that the costs at issue are those limited to the Must-Offer Obligation.</p> <p>Which definition of costs prevails?</p>	
<p>10) 1. In the DARTAm Calculation in Section 1.2 of Exhibit J, there is an undefined term in that equation - "IFDFh". We can't find any definition for the "IFDFh" variable in the rest of the contract. Can you clarify what this term is? And if we missed it, can you point to where this is defined? This is somewhat time sensitive as it is a factor in our analysis.</p> <p>2. Just to confirm, respondents are able to submit Monthly Imputed Production Factors that are outside of the assigned Annual Imputed Production Factor range, as long as the annual average of the Monthly Imputed Production Factors are within the Annual Imputed Production Factor range, correct? In the Fixed Price tool this can be done, but we would just like confirmation.</p> <p>o For example, can we submit 35% for a given month's Monthly Production Factor, when our Annual Imputed Production factor range is 22% - 29%? (As long as the other month's Monthly Production Factors average out to an annual amount within that 22% - 29% range).</p>	<p>1. Please see the answer to question #1</p> <p>2. Yes, Proponents may submit any individual Monthly Imputed Production Factor, however as stated in Section 2.1(b) of the MT2(e) contract, the Annual Average Imputed Production Factor for the Qualified Facility, as set out in the Proposal, must be greater than the Minimum IPFAA and less than or equal to the MaxIPFAA determined by the IESO pursuant to Section 3.4.</p> <p>3. Yes, the Monthly Payment as described in Exhibit J is a contract payment that is settled monthly in addition to market revenues earned by the Supplier in the IESO wholesale energy market.</p> <p>4. No, while the default offers for a Facility will be IESO's Centralized Forecast quantity, there is no obligation for the Supplier to participate in the Day-Ahead Market and it is at the Supplier's discretion to opt out of the Day-Ahead Market and real-time energy market. However, the Supplier will have their calculated monthly revenue requirement reduced by revenues the facility is deemed to have earned as specified in</p>

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<p>3. Just to confirm, under this contract, the Seller will still be participating in the IESO wholesale markets, and receiving actual wholesale merchant revenues, correct? So in addition to the Monthly Settlement calculated from Exhibit J, the Seller would also be receiving the actual revenues from participating in the IESO market, correct?</p> <p>4. Is there any obligation for the Seller to participate in the Day-Ahead markets, or is it at the Seller’s discretion to bid into the Day-Ahead or Real-Time market?</p> <p>5. Regarding site control, are there any specific requirements that we will need to show to demonstrate site control for the facility (leases, easements, etc.)? It doesn’t appear that there are obvious standards to demonstrate site control disclosures/representations in the RFP beyond the "Facility Site Description" in the Proposal Workbook. Beyond the items listed under the "Facility Site Description", is specific land control information necessary/preferred?</p> <p>6. In the previous Q&A IESO released, it stated that Facilities with an existing contract with IESO will be offered an extension of up to 6-months in a separate process from this RFP (if selected). Will that be a simple amendment to the term length? Or will there be other terms of the existing agreement that could be subject to changes in that process?</p> <p>References to "Draft Agreement" below refer to the draft Medium Term 2 Energy Contract posted by the IESO on November 15, 2024.</p> <p>7. Please clarify where contract disputes will be subject to mandatory arbitration and where arbitration will be subject to the mutual agreement of the Parties. We note that Sections 1.6(b) and 1.7(c) of</p>	<p>Exhibit J of the MT2(e) Contract. In addition, the Facility will be subject to Performance Obligations as described in Article 3 of the MT2(e) Contract regardless of whether the facility is bidding into the Day-Ahead Market and real-time energy market.</p> <p>5. Proponents are not required to provide site control documentation as part of the MT2 RFP. However, as part of the Prescribed Form: Registration Form, each prospective Proponent was required to attest that it qualified as a Qualified Applicant and that the Electricity resource described in the Prescribed Form: Registration Form constituted a Qualified Facility.</p> <p>6. Please see the answer to Question #3.</p> <p>7. The arbitration procedures in Exhibit K are applicable to Sections 1.6 and 1.7 of the MT2(e) Contract only. These arbitration provisions are mandatory in the event that the Parties are unable to agree to amendments required under Sections 1.6 and 1.7, and the negotiations set out in Sections 1.7(a) and 1.7(b) are not successful.</p> <p>The arbitration process described in Section 16.2 of the MT2(e) Contract is applicable to any other dispute arising under the MT2(e) Contract. Under that provision, the Parties must first complete a Senior Conference pursuant to Section 16.1. If, following the Senior Conference, the dispute is not resolved, the dispute may be settled by arbitration pursuant to Section 16.2, if agreed to by both Parties.</p> <p>8. There is no difference in the Completion and Performance Security at the Contract Date vs the Termination Date outside an event as specified in section 6.1(c) of the MT2(e) Contract where the Buyer has recovered monies that were due to it using all or part of the</p>

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<p>the Draft Agreement make certain disputes subject to the arbitration rules in Exhibit K while Section 16.2 of the Draft Agreement contains a standalone arbitration process subject to the mutual agreement of the parties. We also note that the IESO’s posted alternative dispute resolution process includes mandatory mediation prior to arbitration. Kindly clarify which process will be followed in which context and confirm where consent of the parties will be a necessary pre-condition.</p> <p>8. Section 10.2(d)(i) of the Draft Agreement includes a liability cap where the Agreement is terminated prior to the Term Commencement Date set at the amount of the Completion and Performance Security required to be provided by the Supplier “as of the Termination Date” pursuant to Section 6.1. Section 6.1 of the Draft Agreement currently refers to the amount of the Completion and Performance Security required to be posted by the Supplier “as of the Contract Date” (emphasis added”). Please confirm whether there is any difference between the amount of the Completion and Performance Security required to be provided by the Supplier as of the Termination Date and as of the Contract Date. Please also consider adding language to Section 10.5 of the Draft Agreement to clarify that such provision would not undermine any explicit limitation of liability in the Draft Agreement including that set forth in Section 10.2(d)(i) therein</p> <p>9. The Draft Agreement is currently missing a definition for "Milestone Date" and "Commercial Operation". Please clarify these defined terms and add them to the next iteration of the Draft Agreement.</p> <p>10. Please clarify whether an event of Force Majeure extends the Longstop</p>	<p>Completion and Performance Security, in which case the Supplier must provide replacement security to cover an amount equal to that recovered or paid out of the Completion and Performance Security.</p> <p>9. References to Milestone Date for Commercial Operation will be removed in the Addendum to the MT2(e) Contract.</p> <p>10. The IESO will be revising Section 11(a) of the MT2(e) Contract to state that the Force Majeure will not relieve or impact the timing of the Supplier’s obligation to complete the Pre-Term Capacity Verification before the Long stop Date.</p> <p>11. These are accidental typos in the MT2(e) Contract and will be conformed to the drafting appearing in the MT2(c) Contract by Addendum.</p>

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<p>Date or not. Section 11(a) of the Draft Agreement appears to suggest that it does, while Section 2.3(c) of the Draft Agreement suggests that it does not.</p> <p>11. Section 3.1 of the Draft Agreement currently states:</p> <p>“Throughout the Term, the Supplier must offer Electricity output from the Facility into the IESO-Administered Markets Facility’s from the Contract Capacity . . .” (emphasis added).</p> <p>This appears to be an error. Could the IESO please confirm whether the provision should instead read as follows: “Throughout the Term, the Supplier must offer Electricity output from the Facility into the IESO-Administered Markets from the Facility’s Contract Capacity...” (emphasis added).</p>	
<p>11) Can you please clarify the settlement impacts under the MT2(e) if a facility chooses to file an FM outage report claim vs. does not claim an FM? For example, if a generator puts in the FM claim, is their grid-reliability payment reduced due to the FM capacity reduction factor (but performance obligations are protected), and they are eligible for the DARTA top-up? Conversely, if a generator does not claim the FM, they do not have protection under the performance obligations under the contract and would need to buy back their DA schedule in RT?</p>	<p>If a Supplier has claimed Force Majeure for their Facility that Facility would receive a reduced Monthly Payment due to the Force Majeure Capacity Reduction Factor. During a declared Force Majeure the Facility also receives protections from its performance obligations. In contrast if the Supplier does not claim Force Majeure the facility does not have the Monthly Payment reduced and receives no relief from the performance obligations.</p> <p>DARTA could apply in both situations, however a Facility on Outage/Force Majeure will likely not see relief from DARTA as the calculation uses $FRTQ_h$ which for a Facility on Outage reflects the forecasted generating capability of the Facility if the Facility had not been on Outage.</p>
<p>12) Section 1.6(b). The scope of relief for impacts of amendments or additions to the IESO Market Rules on the Must-Offer Obligation is very narrow. The IESO may wish to consider providing additional flexibility for negotiated changes to the Must-Offer Obligation to achieve substantially similar commercial</p>	<p>The Must-Offer Obligations definition and the relief offered under Section 1.6(b) of the MT2(c) Contract is consistent with previous IESO capacity contracts that have successfully closed non-recourse project financing. The IESO will not be providing additional flexibility for negotiated changes.</p>

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<p>outcomes (i.e., not limited to the extent necEPCLy to eliminate the need to incur material costs).</p> <p>Section 2.2(b). There are two references to "Metering Plant" (rather than "Metering Plan"). The IESO may wish to correct these typographical errors.</p> <p>Section 2.2(b). The IESO may also wish to provide a timeline (e.g., 20 Business Days) for its approval of a resubmitted Metering Plan.</p> <p>Section 2.3(b). The IESO may wish to provide a process for re-submission of documentation under the Pre-Term Capacity Verification in the event that the IESO determined that such documentation contains deficiencies. The timing of Pre-Term Capacity Verification is germane to accrual of Monthly Payments under Section 2.3(c) and triggering of a Supplier Event of Default under Section 10.1(j).</p> <p>Section 2.7(b). Consent to develop, register or monetize any Future Capacity Related Products is subject to the IESO's "sole and absolute discretion". The IESO may wish to consider modifying this to "reasonable discretion".</p> <p>Section 2.9(b). The IESO may wish to clarify whether Section 2.9(b)(ii), which refers to "the coming into force of new Laws and Regulations, or material Laws and Regulations restricting actual Greenhouse Gas emissions from the Facility", is intended to include GHG Limitations.</p>	<p>Yes, "Metering Plant" WILL be changed to "Metering Plan" this change will be reflected in the Addendum.</p> <p>The IESO will not be adding a timeline for resubmitted metering plans.</p> <p>The IESO will not be providing a process for resubmission of documentation under the Pre-Term Capacity Verification.</p> <p>The IESO will not be revising the language from "sole and absolute discretion" to "reasonable discretion"</p> <p>The IESO will not be making revising the language in Section 2.9(b).</p>
<p>13) Can you please confirm whether our facility [Name Redacted] is a Registered facility under IESO market rules, as per Section 2.1 of the MT2 (e) RFP?</p> <p>[sender also included a screen shot of FAQ 1.2 from the Oct 22 MT2 FAQ doc]</p>	<p>The IESO cannot confirm whether a Facility meets the requirements of Qualified Facility as defined in Section 2.1 of the MT2 (e) RFP outside of the Proposal Evaluation process.</p>

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	<p>For the MT2(e) RFP, a Qualified Facility does not need to be a <i>registered facility</i> at the time of Proposal submission, however it must be registered under the Market Rules as a <i>registered facility</i> to satisfy the Pre-Term Capacity Verification requirements of the MT2(e) Contract.</p>
<p>14) [Name Redacted] plans on submitting a proposal for Capacity at our [Project Redacted] and another proposal for Energy for our [Project Redacted].</p> <p>I am writing in hopes that you can confirm the Proposal Security Amounts required for each of the proposals I mentioned above. I want to make sure I've got the right dollar amounts for each plant before I kick things off internally.</p> <ul style="list-style-type: none"> - [Project Details Redacted] - [Project Details Redacted] <p>Additionally, is it acceptable to send a cash deposit in lieu of a Letter of Credit?</p>	<p>Per MT2(e) RFP and MT2(c) RFP section 3.7(d)(ii), the amount of Proposal Security shall be \$10,000/MW of proposed Contract Capacity (in the case of the MT2(e) RFP) and Maximum Contract Capacity (in the case of the MT2(c) RFP), subject to an overall limit of \$2,000,000.</p> <p>The IESO will not accept a cash deposit in lieu of a letter of credit. The Proposal Security must be in the prescribed form of letter of credit set out in the MT2(e) RFP or MT2(c) RFP.</p>
<p>15) We know [Name Redacted] Power Plant's nameplate capacity is [MW Redacted]. Where we need clarification is the definition in the contract. We will not bid the full Nameplate Capacity, but the definition below says it equals the Contract Capacity. Therefore, is the Proposal Security the Nameplate Capacity or Contract Capacity?</p> <p>[attached screenshot of Nameplate Capacity definition]</p>	<p>The language in the definition of Nameplate Capacity in the MT2 (e) contract is incorrect and will be revised in the Addenda. The definition for Nameplate Capacity in the contract should read "Nameplate Capacity" means the rated, continuous load-carrying capability, expressed in MW in Exhibit B, of the Facility to generate or store (as applicable) and Deliver Electricity at a given time, and which includes the Contract Capacity."</p> <p>A Proponent can bid in a Contract Capacity that is less than the Facility's Nameplate Capacity and must provide Proposal Security in the amount of \$10,000/MW of proposed Contract Capacity as per section 3.7(d)(ii).</p>
<p>16) I have one more question related to the Proposal Security. How are we to</p>	<p>The IESO does not have a specific expiry date and time requirement for the Letter of Credit,</p>

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<p>calculate the expiry date and expiry time that is detailed in Appendix D of the "IESO MEDIUM-TERM 2 (CAPACITY) REQUEST FOR PROPOSALS" and Appendix D of the "IESO MEDIUM-TERM 2 ENERGY SUPPLY REQUEST FOR PROPOSALS"? I don't know how long the Letter of Credit that we need to issue with any Proposal submissions will remain outstanding.</p>	<p>however the IESO does require that the Letter of Credit contain an automatic renewal clause.</p>
<p>17) Attached is the LC form with some comments from the bank, can you please review and confirm if this is acceptable. If this is not acceptable, can you please send IESO's comments/revisions to this?</p>	<p>The IESO cannot review or comment on any draft Proposal materials prior to submission. It is the responsibility of participating Proponents to ensure that their Proposal Security is substantially in the required form and that all other Proposal materials satisfy the applicable requirements set out in the procurement documents and forms.</p>
<p>18) I am writing to request an extension to the MT2C RFP proposal submission deadline from the current date of Jan. 9, 2025 at 3:00 p.m. to the revised date of Jan. 30, 2025 and 3:00 p.m.</p> <p>We have been working diligently on our proposal over the last several months (including to bring forward our best price and understand the difference between our current contract and associated operational requirements and the MT2 capacity contract and associated operational requirements).</p> <p>That said, the current proposal submission date falls immediately after the holidays which poses challenges from the perspective of:</p> <ul style="list-style-type: none"> - Bank holidays that impact timing for security of required Letter of Credit - Being able to view and address in our proposal an IESO responses to final RFP questions which were due Dec. 4 	<p>The IESO will be extending the Proposal Submission Deadline to January 16, 2025; this change will be reflected in the Addenda.</p>

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<p>and any addendum to be issued by the IESO (due Dec. 23)</p> <ul style="list-style-type: none"> - Holidays that impact necessary internal approvals of our final submission package - Holidays that impact ability to submit required hard copy documents to IESO (10 working days between Dec. 24 and Jan. 9) <p>Like other suppliers. we're also working to be responsive to the many other IESO engagements/initiatives underway (e.g. IESO-proposed MRP amendments to existing contracts, LT2, Regional Planning engagements, etc.). We understand and appreciate the IESO staff time also required for these initiatives.</p> <p>Thank you very much for considering our request for the extension.</p>	
<p>19) I was inquiring about the closing date for the RFP. Seeing that the due date is admits the holiday season and working through the forms we would like to ask for a 2–3 week extension for the RFP that is due Jan 9th.</p> <p>This would ensure us to fully complete the forms to the highest level possible.</p> <p>Any assistance would be greatly appreciated!</p>	<p>Please see the answer to Question #18</p>
<p>20) We are writing to you regarding the January 9th, 2025 submission deadline for the MT2 RFP. Given the timing of the deadline – coming immediately after the holiday season – we are requesting the IESO consider providing additional time to finalize our submission by delaying the submission deadline date.</p> <p>As part of the submission, we need to undertake a number of internal reviews and approvals. The holiday season is</p>	<p>Please see the answer to Question #18</p>

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<p>introducing a number of challenges in ensuring those reviews and approvals are completed in a timely manner. [Name Redacted] believes an additional three to four weeks to finalize its MT2 RFP bid would be sufficient.</p> <p>If you have any questions, please do not hesitate to reach out to us.</p>	
<p>21) Can you please provide clarifications regarding the MT2(e) proposal, for the Prescribed Form Workbook for the following:</p> <ul style="list-style-type: none"> • General Information tab, item # 7, what is required here? How is item #7 different from item # 6? • General Information tab, item # 8, what prior contract is this referring to? Is this for the prior contract referenced in lines #4-6 and would be for an existing [Contract Redacted] contract? <ul style="list-style-type: none"> o If yes, then how and where in the workbook can we identify that we will need to terminate the [Contract Redacted] contract (under [Facility Redacted] facility), if successful in the MT2 RFP? o Should we answer item #8 as "No" with regards to the existing [Contract Redacted] contract that is in place but will not start until 2026? • Contact Information tab, item #57, what is required for the list of environmental permits? Can you confirm if this is just the name of the document or pdf agreements and permits that are required to be attached as part of the submission? 	<ul style="list-style-type: none"> • This was an error in the workbook, item #6 will be revised to "Name of Qualified Facility as identified in the Eligible Prior Contract: <if applicable>" and item #7 will be revised to "Qualified Facility's Eligible Prior Contract expiry date: <if applicable> " in the Addenda. • The prior contract referenced in items #4-8 is for the contract that would be in place before the MT2 Contract. • Please see the answer to question #2
<p>22) We are preparing our Letter of Credit (LOC) under [Name Redacted] and have found conflicting suite #'s to send the original doc to and what needs to be on the LOC</p>	<p>All the documents should state Suite 1800. Appendix D will be revised in the Addenda.</p>

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<p>In the RFP: Section 3.7 (d) (iii) states Suite 1800 Appendix C states Suite 1800 Appendix D however states Suite 1600</p> <p>Please clarify what exact address (ie Suite #) is to be listed on our LOC and where we are to courier the original document?</p>	