

# Feedback Form

## Long-Term 2 RFP – December 13, 2023

### Feedback Provided by:

Name: Justin Rangooni

Title: Executive Director

Organization: Energy Storage Canada

Email: [jrangooni@energystoragecanada.org](mailto:jrangooni@energystoragecanada.org)

Date: January 18, 2024

To promote transparency, feedback submitted will be posted on the Long-Term RFP engagement page unless otherwise requested by the sender.

Following the LT2 RFP engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on specific items discussed during the webinar. The webinar presentation and recording can be accessed from the [engagement web page](#).

**Please submit feedback to <mailto:engagement@ieso.ca> by January 15, 2024.** If you wish to provide confidential feedback, please mark "Confidential". Feedback that is not marked "Confidential" will be posted on the engagement webpage.

## Resource Adequacy Framework and Cadenced Procurement Approach

Topic	Feedback
<p>Do you have any comments or concerns regarding the cadenced nature between upcoming LT and MT RFPs?</p>	<p>ESC is very supportive of the cadenced approach to procurements the IESO has proposed. Given the long-term value of energy storage and other non-wires solutions to increase the efficiency of the existing Ontario power system, ESC strongly recommends that the IESO also include cadenced energy storage procurements with a target to signal to the sector that sustained investment and allocation of resources can continue through to the 2030s.</p> <p>In addition, the IESO should consider identifying areas of the province that would benefit from deployment of energy storage resources. For example, regional power system restrictions or constraints can be addressed by energy storage resources but require revenue support and long-term planning guidance to attract development capital. Cadenced energy storage procurements targeted to specific priority regions for each round of development would offer a cost-effective, reliable, and valuable service to Ontario rate payers and the IESO.</p>
<p>Do you have any comments or concerns regarding the proposed offering of both capacity style and new revenue model style of contracts, based on resource eligibility requirements and system needs?</p>	<p>Given the uncertainty regarding the long-term system needs due to significant load growth from new and exciting technologies (e.g., EVs, heat-pumps, electric arc furnaces, innovative industrial processes), ESC believes specifically for hybrids a combined contract approach makes sense. However, for standalone battery projects, a capacity contract is best. It is important to maintain flexibility.</p> <p>Providing contract offers that mix both capacity style contracts and energy-resource revenue would be beneficial for Ontario ratepayers by maximizing new and existing energy generation sites, particularly given the need for enhanced engagement and relationships with local communities.</p> <p>ESC recommends that the IESO provide further information how they will support hybrid developments at new and existing facilities, including clarification on working partnerships within the contract design for ongoing market design changes being considered by the IESO to enable new resources.</p>

Topic	Feedback
Do you have any concerns regarding the proposed target setting approach for upcoming MT RFPs?	No comment
Do you have any comments regarding how best to employ bridging and extensions to contracts to facilitate the success of the Resource Adequacy Framework?	IESO should allow facilities to offer different lengths of contract terms at different values to represent the different combinations of investment to continue operating. This would allow the IESO to assess different extension/bridging concepts, while maintaining competitive tensions. Further, the IESO should encourage existing resources to invest in energy storage to provide more responsive market participation capabilities from existing renewable generation.

## LT2 RFP Resource Eligibility and Timelines

Topic	Feedback
Do you have any general feedback on resource eligibility and timelines?	<p>The IESO must ensure that hybrid resources are enabled through the LT2 RFP eligibility requirements.</p> <p>The IESO should also enable dispatchable loads – including aggregations of dispatchable loads that include resources &lt;1MW of individual size (as being enabled by the IESO’s Enabling Resources Procurement) to offer their energy into the RFP. Enabling dispatchable loads will allow customers to site generation (e.g. solar) and storage at their sites using metering arrangements that may be simpler, faster, and more efficient to implement than if these sites are required to configure themselves as dispatchable generation. Including dispatchable loads as described above will help bring additional resources to the procurement to drive more competition and value for ratepayers while also leveraging willing host sites, expediting the availability of new renewable energy to meet the province’s needs (including economic development) and enabling customer and community choice.</p> <p>The IESO should also ensure that LT2 eligibility and processes enable and take advantage of the potential unlocked by both the IESO’s foundational and enhanced DER participation models – understanding that the enhanced models will enable general service customers to participate in aggregations of dispatchable load/generation and subject to the IESO completing the implementation of this model in advance of the 2030 commercial operation date. We understand that the IESO has committed to share the date by which it will complete the implementation of the enhanced model in Q1 2024.</p>
pIf the potential of repowering an existing facility applies to you, would you be interested in exploring this option further?	No comment
How should the optimal threshold for what constitutes a partial or fully repowered facility be determined and what considerations should be taken into account regarding the repowering of different resource types?	No comment

Topic	Feedback
What considerations should be taken into account for new-build DERs?	To maximize value for Ontario, price adders for location within priority distribution systems should be considered as part of the LT2 RFP. Further, the IESO should seek options to allow new-build DERs to participate in the LT2 procurement while also providing services to distributors. The combination of renewable energy and energy storage resources at the distribution level offers significant benefits to the Ontario power system.
Please express any interest and opportunities for upgrades and/or expansions at any of your existing facilities.	ESC firmly believes that to meet the challenges of the future Ontario power system, the IESO needs to enable expansions that include energy storage resources to enhance the dispatchability, market participation, and transmission/distribution network operation ability benefits.

## LT2 RFP Design Considerations – System Congestion and Deliverability Approach

Topic	Feedback
What early system congestion information do proponents need to guide them in choosing the location of their projects and when is this needed by within the procurement cycle?	<p>The bare minimum information proponents require are:</p> <ul style="list-style-type: none"> <li>- Historic hourly consumption at each transmission station for the past 5 years</li> <li>- Forecast of hourly consumption annually (or for regular increments such as 5-years) at each transmission station.</li> <li>- Existing and future transmission path transfer capability under normal and emergency conditions.</li> </ul> <p>Congestion is a complex, multi-variable issue. Without this information proponents will not be able to make any assessments of congestion risk.</p>
Do you have any general suggestions for how to approach deliverability evaluation in the LT2 RFP?	No deliverability evaluation should be included LT2 RFP.

## LT2 RFP Design Considerations – General Feedback

<b>Topic</b>	<b>Feedback</b>
Do you have any comments regarding the impacts that agricultural land-use limitations may have on project development?	No comment
Do you have any comments regarding what evaluation criteria can be utilized to evaluate project readiness, given tight timelines and reliability needs?	Enabling the addition of energy storage resources at existing renewable energy facilities that are considering repowering or expansions would allow the facility to continue to maximize energy delivery during repowering/expansion investments.
Do you have input on the proposed mechanism for valuing Indigenous participation?	No comment
Are there any other rated criteria that should be considered?	Additional rate criteria should be provided for hybrid facilities located in constrained transmission or distribution areas reflecting the benefit of reducing future congestion or reliability challenges.

## Long Lead Time Resources

<b>Topic</b>	<b>Feedback</b>
Does the proposed approach to enabling long-lead time resources enable meaningful participation or sufficient certainty?	No comment
What additional considerations should the IESO contemplate for enabling broader participation from long-lead time resources?	No comment

## Revenue Model

<b>Topic</b>	<b>Feedback</b>
As a potential proponent, are you generally supportive of the proposed Enhanced PPA revenue model? Are there any other considerations that the	ESC is not supportive of the proposed Enhanced PPA revenue model.

IESO should look into further with regards to the revenue model?

The IESO should consider a fixed capacity payment on a monthly basis with a minimum energy delivery mandate. This approach would give revenue certainty why encouraging market participation.

---

## General Comments/Feedback