

Feedback Form

Long-Term RFP – November 7, 2022

Feedback Provided by:

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Following the November 7th public meeting on the Long-Term RFP, the Independent Electricity System Operator (IESO) is seeking feedback from participants on the proposed deemed generation model.

The referenced presentation can be found on the [Long-Term RFP webpage](#).

Please provide feedback by November 14, 2022 to engagement@ieso.ca.

Please use subject header: *Long-Term RFP*. To promote transparency, this feedback will be posted on the [Long-Term RFP webpage](#) unless otherwise requested by the sender.

The IESO will work to consider and incorporate comments as appropriate.

Thank you for your contribution.

Deemed generation model

Topic	Feedback
Do you support the proposed approach with fixed VOM and CRE value? Please explain why or why not.	See comments below.
Do you have any feedback on the use of non-continuous 4 hours in the model?	See comments below.
Is there anything further you recommend be considered with respect to the implementation of this alternative model?	See comments below.
Do you have any general feedback on the two models presented, including any feedback on financeability?	See comments below.
Do you have any feedback on potential market and operational impacts between the two models?	See comments below.

Materials Cost Index Adjustment (MCIA): Lithium

Topic	Feedback
Do you have any feedback on the appropriate weighting for lithium in the MCIA?	No comment.

General Comments/Feedback

Energy Storage Canada appreciates this opportunity to provide additional feedback. We recognize the efforts the IESO has taken to address industry concerns with respect to previous draft contracts, and the positive steps that the IESO has taken with the revised draft contract. In particular, revisions regarding proposal security, pre-COD termination, achievement of commercial operation, materials cost indexation, and force majeure are all changes that are viewed positively by industry.

Energy Storage Canada is also aware that members continue to be concerned with respect to market rule protection, as well as challenges that may be experienced post contract – e.g., permitting, connection delays and connection cost.

With respect to the proposed contract payment model, we recommend that the IESO maintain the Fixed Capacity Payment model, which includes an ability to bid a price adjustment for the energy

spread. At this time, we do not believe there is sufficient time to introduce new complexities related to the model that was introduced by the IESO on November 7th. Further, following the webinar, several ESC members immediately indicated their preference for the Fixed Capacity Payment model and **not** the alternative model proposed for discussion on November 7th. While the Fixed Capacity Payment model may not be perfect, it provides enough stability for proponents to prepare bid prices within the revised timelines.

For further clarity to the IESO, ESC has reviewed the submission by the consortium of renewable generators (“the Consortium”) and we support the recommendations for further clarity and revisions as it describes.

Thank you for your consideration of our submission, and we look forward to ongoing consultation and engagement.