

BRIEFING NOTE

To: IESO LRP Group

From: Offices of the OEA

Date: Wednesday, April 22, 2015

cc: Shawn Cronkwright
JoAnne Butler

Subject: OEA COMMENTS ON FINAL LRP I RFP

INTRODUCTION

The OEA wishes to offer comments on the final LRP I RFP and contract, with regard to both the current process and future procurements. We would also like to thank the IESO for having addressed stakeholder concerns about the timing of the question and comment period. Beginning that process sooner than originally planned has enabled OEA members to move ahead with proposal development and we greatly appreciate the IESO's responsiveness on this matter.

VOLUNTARY TERMINATION PROVISIONS

In our March 9, 2015 note to the IESO the OEA raised concerns that the draft LRP I contract allowed for voluntary termination at any point in the life of the contract. The final LRP I contract was subsequently amended to allow for voluntary termination only until a project reaches commercial operation. While the OEA recognizes that this adjustment is an improvement, we still believe that voluntary termination should only be possible before the IESO has issued notice to proceed (NTP). It would be both helpful and much appreciated if the IESO could kindly explain why restricting voluntary termination to the pre-NTP phase – which worked successfully for FIT projects – cannot be done for LRP I projects as well. Given the importance this clause has for equity and debt partners and the complexity of the issue, the OEA would encourage the IESO to **undertake a dedicated consultation/information session on voluntary termination** so that all qualified applicants and the IESO share a full understanding of how voluntary termination would work in practice.

LRP II TIMING

While the LRP I RFP and contract were just recently released, the OEA believes it is important for the IESO to begin planning now for future procurement rounds, as many of our member are beginning to undertake internal business planning for those procurements. Providing the industry with a sense of when LRP II will take place would allow time for a review of LRP I and would thus lead to even better results in LRP II. Therefore, the **OEA respectfully requests the IESO to provide details of the timing of the next round(s) of large renewable procurement e.g. via the IESO's business plan.**