

WCO | **WIND CONCERNS ONTARIO**

**Municipal Input to IESO on
Request For Proposal Process**

Multi-Municipal Wind Turbine Working Group

April 14, 2016

Warren Howard

Review of RFP Process

- **Next RFP round for more renewables**
 - Targeting 600 MW on-shore wind (200 turbines)
- **IESO currently seeking input on process:**
 - Effectiveness of engagement process
 - Mandatory community engagement requirements
 - Rated criteria activities related to community support and Aboriginal participation
- **Out of Scope:**
 - Need or amount of renewable generation to be procured
 - Potential environmental impacts of projects
 - Changes to laws and regulations
 - Challenges to the outcome of 2015 awards
- **Submission Deadline: May 3, 2016**

Proposed LRP II Process

Request For Qualifications – Aug 2016 to Q4 2016

- Identify qualified suppliers

Request For Proposal Process – 2017 to Q2 2018

1. Review RFP submission for completeness
2. Confirm mandatory requirements met
3. Assess against rated criteria
4. Final evaluation and selection
 - Price bid within maximum allowable range
 - Connection and technical requirements
 - Adjusted price calculated & used to rank projects

Results Announced – Before May 1, 2018

Contracts awarded based on ranking up to the capacity within each renewable source

No LRP III Anticipated

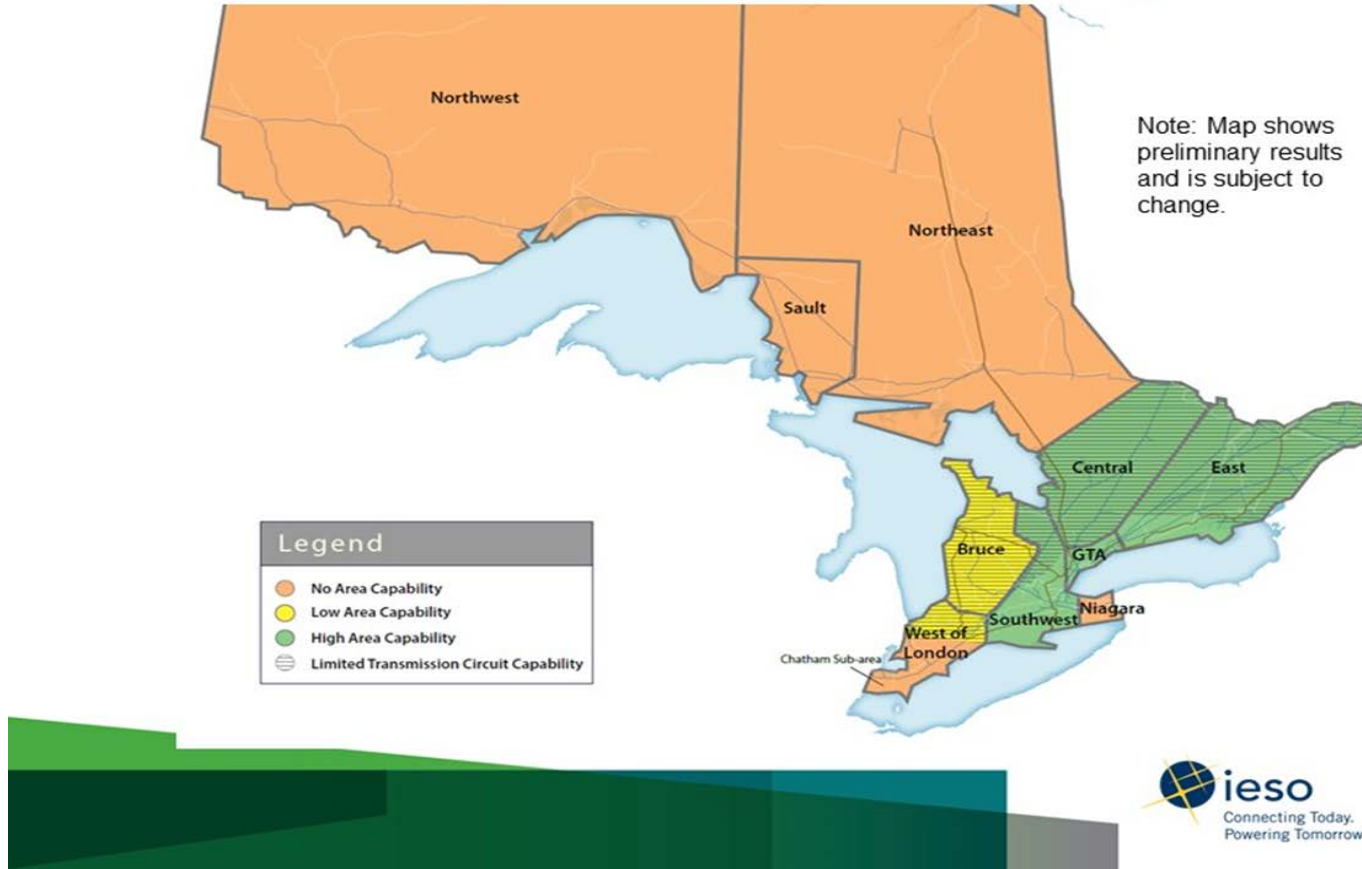
Request for Qualifications

Suggestions for Changing RFQ Process

- **Failure to deliver existing FIT project within contract timelines should prevent future participation**
- **Suggest new types of expertise for team:**
 - Noise assessment, public health assessment, agriculture
- **Responsiveness to community concerns about existing projects**
 - Document number of complaints received about wind turbine noise on existing project and responses taken to address complaints
 - Approaches used to work with communities to resolve concerns
- **Provide opportunity to recommend disqualification based on inappropriate proponent activities**
 - Destroying habitat for endangered species such as Blandings Turtles
 - Using lawsuits to resolve issues with municipalities
 - Respond to public expressions of concern with activities prohibited by the Protection of Public Participation Act.
- **Currently qualified participants need to requalify**

Capacity Availability

Early LRP II Connection Availability



Capacity Availability

- **Identified as an issue by both bidders and municipalities**
 - **No local capacity available in areas shown with capacity**
 - **Projects approved after IESO advised municipality that no capacity available**
- **No consideration of existing curtailed supply**
 - **i.e. contracts awarded for more capacity in Chatham-Kent**
 - **K2, Armow and Enbridge have been curtailed in past month**
- **Connection Availability Resources**
 - **Provide capacity information in form and at a level of detail that is useable for lay people and for industry insiders**
 - **Freeze available capacity information at start of process**
 - **If capacity information must change, restart process to ensure full disclosure to all bidders and communities.**

Engagement vs. Support

- **Need to Understand IESO Process View**
 - **Engagement** - Fairly and effectively presenting information on project to community
 - **Support** - Community agrees that project should proceed
- **Suggested Feedback**
 - **Current engagement requirements have not produced effective presentations to community**
 - **Details of project not provided during engagement process and only revealed shortly before submission**
 - **Absence of a requirement for community support means that proponents do not need to take community engagement activities seriously**

Mandatory Requirements

- **Project Disqualified** – if there is a ‘Material Deviation’
- **Project Definition** - Maps showing project location, element siting, connector line locations
 - **Disclosure of turbine siting needed for meaningful public and municipal consultation**
 - **Define disclosure timing relative to other activities in RFP**
- **Access Rights** - Ownership title, lease options
 - **Acceptable leasing practices need to be defined**
 - **Proper disclosure of risks and liabilities**
 - **Require options for leaseholders to terminate agreement**
 - **Current confirmation of leaseholder support for project**

Mandatory Requirements

- **Site Considerations** - Identify environmental areas being affected – wetlands, species at risk, heritage sites, etc.
 - **Disclosure of draft assessments needed for meaningful public and municipal consultation**
 - **Require assessment of economic impact on host community**
 - **Add assessment of impact on bird migration routes**
 - **Process for municipality to comment on site considerations directly to IESO**
 - **Material omissions should cause disqualification**
 - **IESO needs process to review and confirm submissions**
 - **Provide list of situations where wind turbine projects not allowed**
- **Aboriginal Consultation(s)** – meet with local First Nations communities
 - **Communities consulted and results need to be disclosed**

Mandatory Requirements

- **Community Engagement Plan** – Provide plan on website and to Municipal Clerks
 - Needs to contain timing for release of key documents
 - Independent confirmation that plan followed
- **Public Community Meeting** – hold 1 public meeting
 - Require town hall format so that questions and answers heard by all attendees
 - Submission should document all concerns raised at meeting
 - Identify project changes made in response to community feedback
 - External Fairness Advisor monitoring to confirm full disclosure
- **Meet Community Officials** – hold 1 meeting with officials of each project community
 - Should be meeting with Municipal Council, not officials
 - Meeting timed to follow community meeting
 - Opportunity for municipality to comment on proposal directly to IESO

Optional Community Engagement

- **Municipal Council Support** – resolution of Council confirming support
 - **Change to a mandatory requirement**
 - **Provide supporting documentation to municipality in time to allow full review before Council meeting.**
 - **Require resolution be approved in an open Council meeting with appropriate public notice**
 - **Council meeting takes place after community meeting**
 - **All municipalities involved must confirm support**
- **Aboriginal Support** – located on First Nation Lands under the jurisdiction of community
 - **Approval takes place after community meeting**
 - **Both municipal and Aboriginal support required, if applicable, to earn points**

Optional Community Engagement

- **Adjoining Landowner Support** – 75% of landowners abutting generation site or collector line must support
 - Landowners up to 2 kilometres from wind turbine sites are affected by project and should be included
 - Retain narrow definition for landowners adjoining collector line sites, if buried
 - Support from relatives and companies related to leaseholders cannot count toward 75%
 - List of all potential adjoining landowners should be provided to municipality for confirmation

Optional Community Engagement

- **Municipal Agreement** - any binding agreement with proponent re: project; no copy required
 - **Must be substantive agreement with all terms disclosed**
 - **Approved in open Council meeting with opportunities for community input on terms**
 - **Agreement cannot limit Council from fulfilling its legal duties relative to the project.**
 - **Any financial incentives must not be linked to favourable treatment of project**
- **Aboriginal Participation – 10% or more equity**
 - **Project must be located on participating First Nation lands**
 - **Participation must be disclosed before community meeting**

Proposal Ranking for Selection

- Bid price reduced for ranking purposes by up to 40% based on Community Engagement Points
- For example,
 - Project with full community support earns 80 points
 - 80 points represents 80% of the 100 potential points
 - Qualifies for 80% of 40% = 32% reduction in bid price
- Bid of 10.0 cents with community support equal to a bid of 6.8 cents with no community support
- Current point allocation allows municipal opposition to be over turned by other factors

Community Engagement Points

- Regular Projects - max 80 points
 - 80 pts. - Municipal support & agreement, 75% of landowners
 - 50 pts. - Municipal support, 75% of landowners
 - 40 pts. - Municipal agreement, 75% of landowners
 - 30 pts. - Support from 75% of abutting landowners
 - 20 pts. - Municipal agreement
- Aboriginal Participation - max 20 points
 - 20 points for 10% or more aboriginal participation in project
- **Align process with Chiarelli statement that it is ‘virtually impossible’ for a project to be awarded without municipal support**
- **Assign 80 points for Municipal Support Resolution alone**
- **Limit other elements, including Aboriginal participation, to 10 points**

Successful 2015 FIT Contracts

	Municipal Support	Municipal Agreement	75% Land Owners	Aboriginal Participant	Points Awarded
Chatham-Kent - Lakeshore	✓	✓	✓	Aamjiwnaang	100
Chatham-Kent	✓	✗	✗	Walpole	70
Dutton-Dunwich	✗	✗	✓	See Below	50
Nation/ Champlain	✗	✗	✗	None	0
North Stormont	✗	✗	✗	None	0

- Dutton-Dunwich – Participating First Nations - Fort Severn, Poplar Hill, McDowell Lake, North Spirit Lake, Keewaywin and Deer Lake
- Chiarelli Contradicted – *“Virtually impossible for contracts to be awarded without local support”*

Other Suggested Feedback

- RFQ submissions are subject to verification by IESO
 - If elements are found to be incorrect or misleading, applicants status can be re-evaluated.
 - **Same statement should apply to RFP submissions.**
- Resubmission of a RFP 1 Project
 - **Require new engagement meetings and fresh documentation dated after the launch of the RFP II process**

Next Steps

- Questions? Items missed?
- LRP I Documentation:
 - <http://www.ieso.ca/Pages/Participate/Generation-Procurement/Large-Renewable-Procurement/Program-Resources.aspx>
- Submission Deadline – May 3, 2016
- On-line Survey:
 - <https://www.surveymonkey.com/r/CX3K5T6>
- Opportunities for written submissions from local municipalities and community groups