



# Introduction to Capstone Infrastructure, Battery Storage, & the Ontario Capacity Procurements

Presentation to the Town of Tecumseh, Ont.  
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1. About Capstone
2. IESO Procurement Overview
3. Battery Projects Overview
4. Capstone's Proposed BESS Project
5. Local Benefits
6. Municipal Support Resolution

## About Capstone

- Toronto-based independent power producer (IPP) founded in 2004
- Develops, owns and operates 30 facilities (776 MW (net)) including wind, hydro (run of river), solar, biomass, and natural gas co-gen
- 140+ employees across North America
- Capstone has been a major player in the Ontario renewable energy market since 2005, with 17 wind and solar facilities coming online totalling 278 MW



# Need for the IESO Capacity Procurement

- Ontario is entering a period of emerging electricity system needs, driven by increasing demand, the retirement of the Pickering nuclear plant, the refurbishment of other nuclear generating units, as well as expiring contracts for existing facilities
- The Independent Electric System Operator (IESO) identified areas of Ontario with greatest need for additional capacity based on Ontario's needs and load growth over the upcoming years
- In the near term, the IESO is looking to procure more than 4,000 MWs of capacity through Expedited and Long-Term RFPs. The Expedited Long-Term RFP is focused on 1,500 MWs, with 900 MWs being battery storage

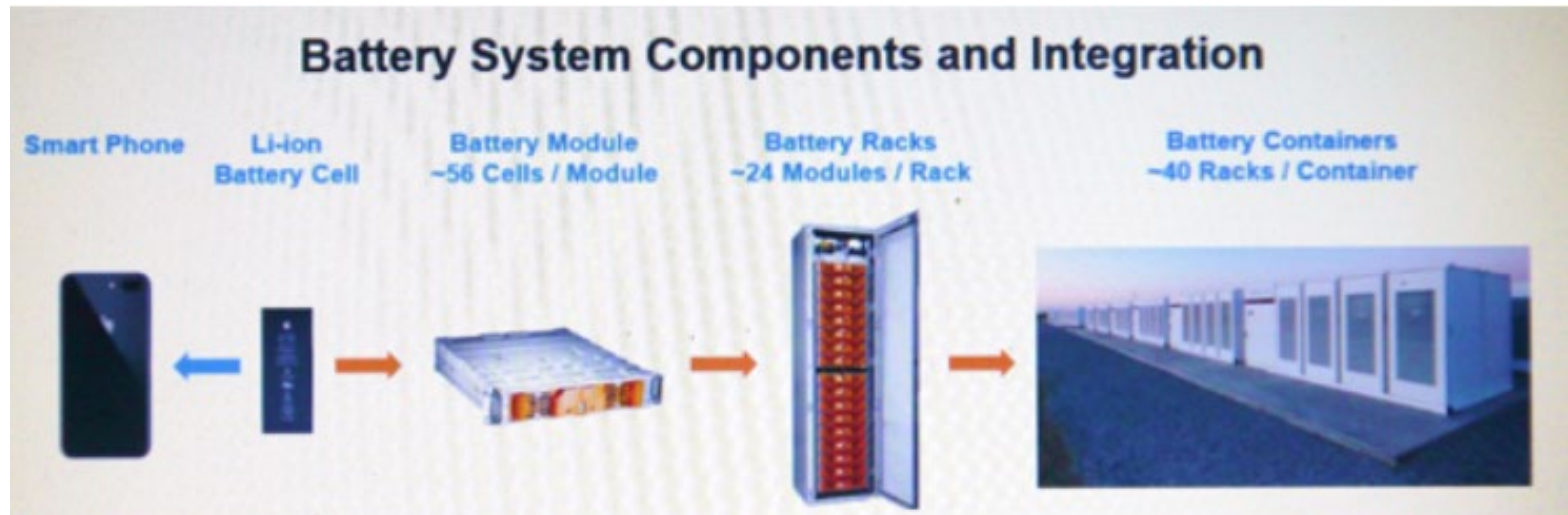
## IESO RFP Rules / Timeline

- The draft Expedited and LT1 RFP set out ‘mandatory criteria’ and ‘rated criteria’ (optional scoring criteria, to enhance assessment by the IESO)
- Among the mandatory criteria, sites are evaluated on a pass/fail basis for: qualified applicant; proposed ability to deliver continuous electricity; deliverability test results; and proposal ability to meet submission criteria
- Among the rated criteria, sites are evaluated on the following: location being within priority zones; duration of service; Indigenous Community participation; and local governing body support resolution
  - Municipal support will be critical in proposal prioritization for projects. Given the competitive nature of the RFP processes, Capstone anticipates that winning projects will need to secure rated criteria points

ACTIVITY	DATE
RFQ launched by the IESO	June 2022
Expedited Process Proposal Submission	February 2023
Expedited Process Contract Offer	May 2023
Projects begin to come online	2025 - 2027

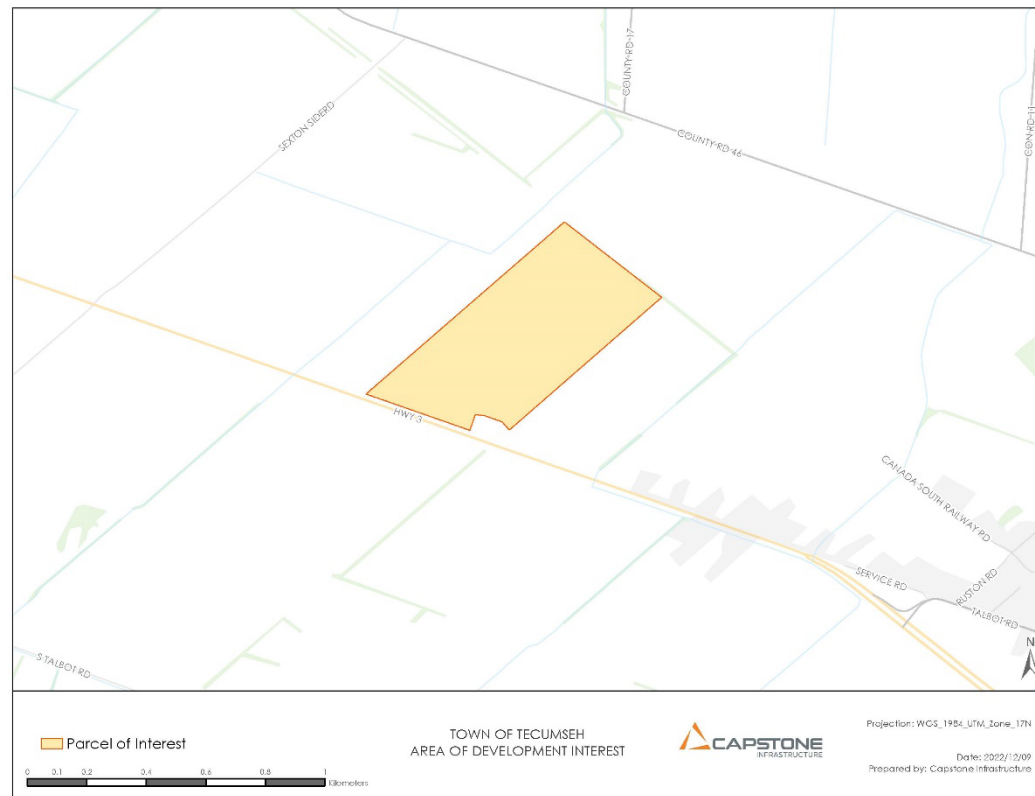
## What is the BESS

- Unlike wind and solar, Battery Energy Storage Systems (commonly referred to as BESS), have a condensed project footprint, with a low profile, requiring approximately 10 acres for 200 MWs
- BESS projects are remotely monitored (24/7) and operated



# Capstone's Proposed BESS in Tecumseh

- Capstone is seeking to develop a BESS project in the Town of Tecumseh for up to 200 MW on land that is currently zoned agricultural
- We are in discussions with a landowner for the lease of their lands for project siting and connection via the 230 kV transmission system, owned by Hydro One





## Key Considerations for Proposed Area of Interest

- The IESO West region, including Tecumseh, was identified as a Preferred Area by the IESO, with strong preference for the purpose of these procurements
- The property contains a Transmission Line that has been identified as an IESO Preferred Circuit (H25J, H26J). This coincides with an identified need in the region for Energy Storage resources and is valued at the maximum number of RFP points
- The property was selected as it presents ample opportunity for the project to be sited near the rear/north of the land, a good distance away from houses and other receptors. This will help to reduce visual and noise impacts from the project
- The property was selected as it is fairly unencumbered by environmental constraints and features. This should reduce limitations to it being permitted, while having less of an impact on the natural environment



## Short Term Benefits

- Construction work will be sourced locally whenever possible providing short-term employment within the community
- Permit fees and other project payments made to the town
- Secondary support services will be needed, such as housing, food, site maintenance, etc.

## Long Term Benefits

- Long-term tax benefits for 20+ years/10
- Possibility of long-term jobs required for site management and continued maintenance
- BESS will contribute to a safe and reliable electrical grid

# Municipal Support Resolution

## What We Are Asking of You Now...

- The project is requesting a Municipal Support Resolution to support this project in obtaining rated criteria points in the IESO procurement / Expedited RFP submission in February

## What It Means To Provide This Support Resolution...

- This will indicate support for continued development works between the Town of Tecumseh and Capstone Infrastructure
- The competitiveness of Capstone's bid for a proposed BESS will be enhanced when assessed by the IESO
- No guarantees - other than the agreement to continue to work together on the development of the battery storage project
- Agreement on the Municipal Support Resolution

## Contact Details

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