

**Ministry of Energy,  
Northern Development  
and Mines**

Office of the Minister

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**Ministère de l'Énergie,  
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Tél. : 416 327-6758



February 22, 2021

Mr. Terry Young  
Interim President and Chief Executive Officer  
Independent Electricity System Operator  
1600-120 Adelaide Street West  
Toronto ON M5H 1T1

Dear Mr. Young:

Thank you for the Independent Electricity System Operator's (IESO) detailed review and analysis of NRstor Inc. and Six Nations of the Grand River Development Corp.'s (the Proponents) Oneida Battery Park Project.

After reviewing IESO's analysis provided and considering the potential system benefits as well as recognizing the potential to enhance the integration of storage technologies into Ontario's markets, I am asking IESO to proceed to the next phase of the Ministry's project assessment framework (i.e., Gate 3) and enter into contract negotiations with the Proponents.

In undertaking contract negotiations, I would ask that IESO work with the Proponents to achieve the following outcomes:

1. A ten-year contract term;
2. A net revenue requirement that ensures lowest project cost and therefore the greatest value to ratepayers over the contract term;
3. Performance requirements that reflect the high reliability standards expected from battery storage technologies;
4. Flexibility in the contract terms that allows for IESO to adapt the facility's operation to reflect evolving system needs, including transitioning to capacity auctions post contract expiry; and
5. Requirements on the proponent to acquire all necessary permits, regulations and approvals as well as obtain community support and the support of affected Indigenous communities for the construction of the project.

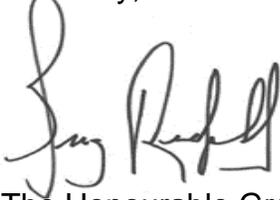
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If IESO and the Proponents are able to reach agreement on proposed major contract terms, I would ask that IESO submit them to me for review. I will then determine, subject to the approval of the Lieutenant Governor in Council, whether to direct IESO to execute a contract or if further negotiation to the proposed terms and conditions is required to achieve a better outcome for Ontario electricity consumers.

In addition, should IESO be unable to agree to terms with the Proponents that provide sufficient value to ratepayers, the project would not proceed to contract execution.

I look forward to hearing from IESO by June 1, 2021.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Rickford". The signature is written in a cursive style with a large initial "G".

The Honourable Greg Rickford  
Minister of Energy, Northern Development and Mines

- c: Leonard Kula, Vice President, Planning, Acquisitions and Operations, and Chief Operating Officer, IESO  
Michael Lyle, Vice President, Legal Resources and Corporate Governance, IESO  
Aaron Silver, Chief of Staff to the Hon. Greg Rickford, Minister of Energy, Northern Development and Mines  
Stephen Rhodes, Deputy Minister of Energy, Northern Development and Mines