

MA-D2-1



LEGISLATIVE SERVICES	
COPY TO:	FOR:
Chair	<input checked="" type="checkbox"/> Committee
CAO	<input checked="" type="checkbox"/>
Corporate Services	Council <input checked="" type="checkbox"/>
Public Works	
Employee and Business Services	<input checked="" type="checkbox"/> RC Apr 12/12
Health Services	File -
Human Services	
Peel Living	

AMO BREAKING NEWS

March 22, 2012

New Feed-in Tariff (FIT) Program Rules Changed

Today, the Honourable Chris Bentley, Minister of Energy, announced the results of the review of the Feed-in Tariff (FIT) program. He said that the Province is committed to moving ahead with its clean energy program.

AMO believes that some of today’s announced changes are a step in the right direction. The following synopsis provides an overview of the five strategic areas of recommendation that relate to the municipal sector along with analysis of how each addressed AMO’s recommendations.

1. Clean Energy Generation

The review recommends maintaining the Long-Term Energy Plan’s commitment to 10,700 MW of non-hydro renewable energy generation by 2015, and adds that all procurement should be re-examined at the end of 2013 when the Province expects to meet this goal.

AMO is neither for nor against any one particular type of generation as we believe a broad portfolio of supply options mitigates the risk of dependence on any one fuel supply, but we are supportive of less GHG intense fuel sources. This portfolio should also be complimentary in terms of supplying base, intermediate and peak demands. We do maintain, however, that any potential hosts should have a say in the type of generation planned in their community. Any new generation should be the best available technology and should make use of all available energy types including thermal energy.

2. Streamline Processes and Create Jobs

The review recommends moving to a three-stream approval process whereby:

REFERRAL TO _____
 RECOMMENDED _____
 DIRECTION REQUIRED _____
 RECEIPT RECOMMENDED _____

i. Exemption

- microFIT solar projects remain exempt from Renewable Energy Approval (REA) regulations.

ii. Self-Screening

- Bio-energy and small scale solar projects will be eligible to use the Ministry of the Environment’s Self-Screening Registry the Environmental Activity and Sector Registry (EASR), which is currently limited to heating and standby power systems. This will reduce processing times from 18-24 months to 2-3 months.

iii. Full Environmental Approvals including REA Regulations

- The REA process still applies to large-scale projects. The Province has committed to improving the form to take municipal feedback into more account and streamline approvals.

The Province is not expanding the list of projects that are exempt from the approvals process. Fast-tracking more benign bioenergy and small-scale solar projects by allowing them to utilize EASR makes sense as does improving the service times of the REA-applicable projects.

MA-D2-2

3. Encourage Greater Community and Aboriginal Participation

The Province will reserve a minimum of 10% of the remaining FIT contract capacity for projects with significant (greater than 50% equity) community participation. The new program will also prioritize large and small FIT applications using a point-system (see table below) that will award additional points to projects that have significant local involvement. The Ministry will also ask the Community Power Fund manager how to improve take-up from community groups.

Applicant Type	Local Participation Level	Points
Local Community with 15% minimum equity		3
Aboriginal with 15% minimum equity		3
Academic Sector and Long-term Care Facilities with 15% minimum equity or project host		2
Other participants		0
Additional Points		
Municipal Council Support Resolution		2
Aboriginal Community Support Resolution		2
Project Readiness		2
Water or Bioenergy projects		1

These changes will mean projects that have municipal or community groups as partners receive higher ratings and a better chance of moving forward than those that lack support. This should have the effect of gravitating green energy projects toward communities that support them.

AMO hopes these changes will also strengthen the municipal consultation process for green energy projects. We are disappointed to hear that the Province will not move forward on the promised Municipal Renewable Energy Program (MREP).

4. Improve Municipal Engagement

Solar ground-mount projects will be prohibited in residential and prime agricultural lands (Classes 1, 2, 3, organic, and mixed) and only allowed as a secondary use in commercial and industrial areas. New large FIT projects will require a contract launch meeting with the municipality to facilitate early discussion, share information and define expectations. The Province is also committing to improving the resources available and outreach made to the municipal and other sectors on how the approval process works and opportunities available as project developers.

AMO is pleased that ground-mount solar projects will no longer be allowed in residential and prime agricultural areas as this will address several unintended negative consequences to local land use planning present in Fit 1.0. AMO has long advocated early and consistent consultations with municipalities as a way to arrive at the best outcome for all parties. The Province is not requiring but rather encouraging developers to have a meeting before submitting an application. A contract launch meeting should result in commercial developers deploying engagement and partnership best practices that enhance community benefits. AMO is also encouraged that the Province is committing to doing a better job communicating and educating municipalities, developers, investors, and the general public on the municipal consultation process and all other renewable energy approval processes.

5. Reduce Price to Reflect Lower Costs

Prices will now be set when a contract is offered as opposed to when an application was submitted. Prices for solar projects were decreased by 20% on average and 15% for wind. Prices for water, biogas, biomass, and landfill gas remain unchanged. Moving forward, FIT prices will be reviewed each November and take effect January 1 the following year.

AMO had asked that projects not be negatively affected retroactively and that proponents and hosts be provided with greater notice of program rules and pricing changes. Having a scheduled price review will lead to greater

MA-D2-3

certainty for investors and others involved. While not adding Energy from Waste (EFW) facilities is a missed opportunity, we are glad that the tariffs for biogas, biomass, and landfill gas were not lowered as this would have prevented such beneficial projects from moving forward. We look forward to reading the new FIT program rules to determine if municipal water reservoirs and parking lots are now deemed as roof-top facilities for the purpose of developing solar PV microFit and FIT projects.

AMO's submission to the review is available at www.amo.on.ca under Energy.

Contact: Scott Vokey, Energy Services Coordinator, svokey@amo.on.ca or 416-971-9856 ext. 357

Back