



First Review of Ontario's FIT: Price Adders and Priority for Municipal and Aboriginal Communities

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First Review of Ontario's Feed-in Tariff

- April 12, 2012 - Ontario's government announced that it will implement all of the recommendations of the first review of its Feed-in-Tariff (FIT) Program (Review)
- As widely anticipated, there are substantial reductions in the FIT rates payable for solar and wind-powered renewable energy generation
- Prices for water, biogas, biomass and landfill gas will remain at current levels
- FIT rates will now be reviewed annually and there will be a review at the end of 2013 to see if a higher renewables capacity target is warranted.



Improved Municipal Engagement

- Large FIT projects will require a contract launch meeting with the municipality, proponent, project developer, government, utility, and agency to facilitate early discussion, share information and define expectations.
- The province will clarify project-siting rules by removing all exemptions and strengthening the protection of prime agricultural lands.
- The Association of Municipalities of Ontario (AMO) will work with the Ministry of Energy to revise the municipal consultation form in the Renewable Energy Approval process
- Do these measures compensate for the loss of municipal planning powers?



Greater Community and Aboriginal Participation

- The province will reserve a minimum of 10 per cent of the remaining FIT contract capacity for projects with significant (> 50% equity) community and/or Aboriginal participation.
- The new program will also prioritize large and small FIT applications using a point-system that will award additional points to projects that
 - have significant (>15% equity) local and/or Aboriginal involvement; or
 - produce a Municipal Council and/or Aboriginal Community support resolution



Price Adders

- The maximum price adders for for all types of renewable energy technology, other than rooftop solar are
 - 1.5 per kilowatt hour (c/kwh) where there is more than 50% Aboriginal participation.
 - 1 c/kwh where there is more than 50% Community participation
- These maximums are the same as the previous adders for wind and solar and are a better rate than before for other renewable energy technologies.
 - Reduced FIT rates for wind and solar means the adders represent a better percentage of the rate.
 - This may incentivize developers to seek greater Aboriginal or Community participation in new projects.
- The adder is .75 c/kwh and .5 c/kwh respectively where Aboriginal or Community participation is more than 15% but less than or equal to 50%. This replaces the previous sliding scale.



Support Programs

The Review reaffirms commitment to FIT support programs and adjusts them as follows:

- a. Community Energy Partnerships Program (CEPP): i. The Ministry of Energy should ask the CEPP fund manager and program administrator (Community Power Fund) to make recommendations on how CEPP could be improved to help community groups actively participate in renewable energy projects. ii CEPP should be re-launched by July 1, 2012.
- b. Aboriginal Energy Partnerships Program: i. Extend support funding to Aboriginal communities partnering with Green Energy Investment Agreement ("GEIA") projects. ii. Align with new participation requirements in the FIT Program. iii. Dedicate support funding for projects that are already in the design/development and regulatory approvals phases.



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