



Building a Green Economy for Ontario: The Proposed Green Energy Act

**Growing the Margins
March 11, 2009**

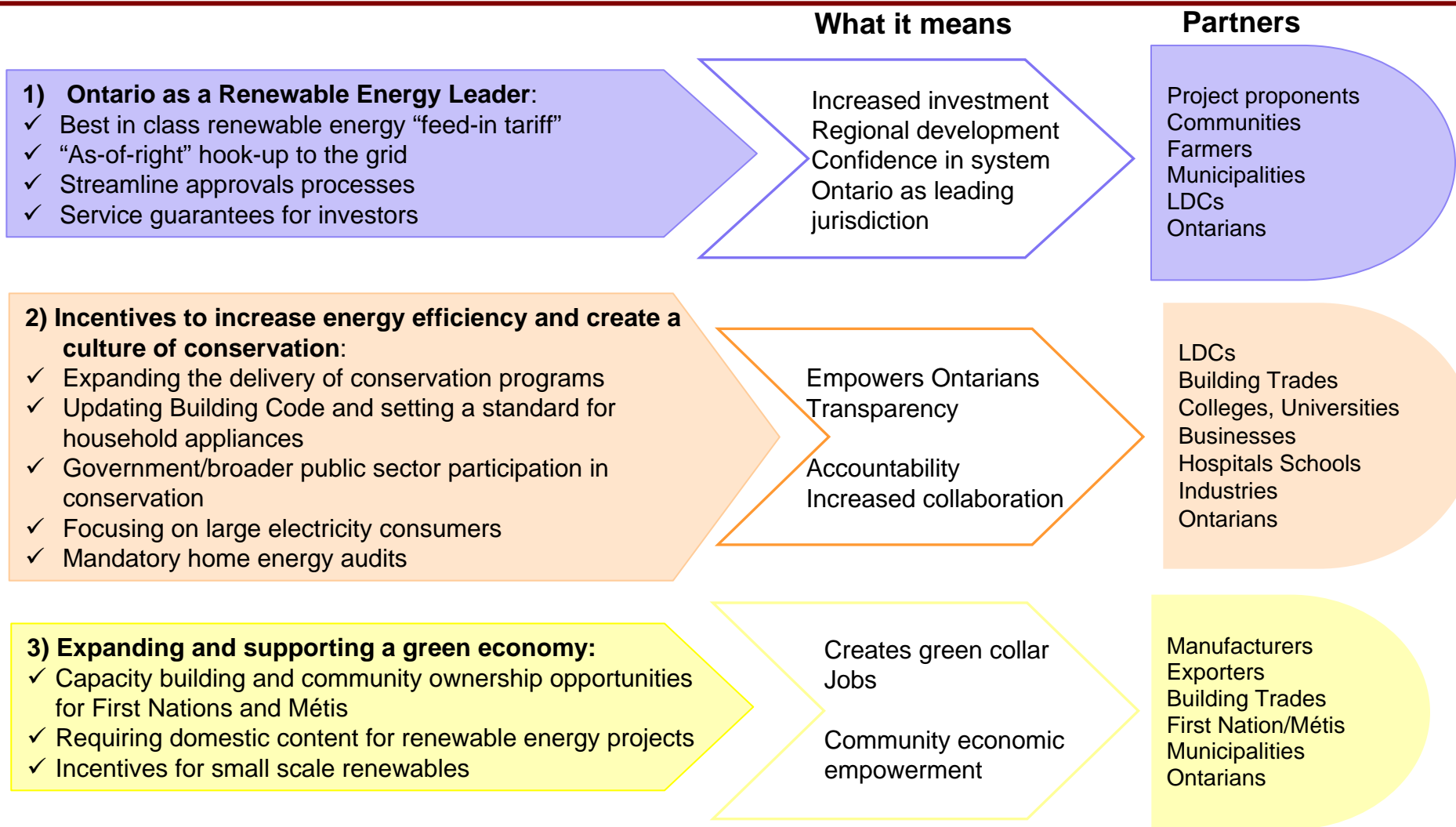
**Rick Jennings, ADM
Office of Energy Supply, Transmission and Distribution
Ministry of Energy and Infrastructure**

Ontario's Green Energy Act

- ◆ The Green Energy Act (GEA), if passed, would help the government ensure Ontario's green economic future by:
 - ↪ building a stronger, greener economy with new investment, supporting well-paying green jobs and more economic growth for Ontario – a projected 50,000 jobs in the first three years
 - ↪ better protecting our environment, combating climate change and creating a healthier future for generations to come.

- ◆ The GEA is a bold series of coordinated actions with two equally important thrusts:
 - ↪ making it easier to bring renewable energy projects to life, and
 - ↪ fostering a culture of conservation by assisting homeowners, government, schools and industry to transition to lower and more efficient energy use.

Green Energy Act Initiatives



1. Expanding Renewable Energy

Certainty for Renewable Project Developers

- ◆ **Feed-in-Tariff** – A standard price to promote the development of community-based and large commercial renewable energy projects. This mechanism provides proponents with a market-viable price for their projects.
- ◆ **‘As of right’ grid access** – Establish right to connect for renewable energy projects on the transmission and distribution systems based on economic test.
- ◆ **Service Guarantees** –
 - ↪ Service guarantees from Hydro One, Local Distribution Companies and the IESO for completion of wires assessments, in order to facilitate timely connection of new renewable generation to the grid.
 - ↪ Coordinated processes by the Ministries of Environment and Natural Resources for reviewing applications and issuing decisions, including adherence to service standards.

1. Expanding Renewable Energy (cont'd)

- ◆ **Streamline approvals for renewable energy projects** – The legislation will propose important improvements in order to remove duplication and focus on matters related to the natural environment, including:
 - ↳ Change environmental approvals requirements and remove Planning Act requirements for renewable energy projects and associated connections.
 - ↳ Province-wide standards for the siting of renewable energy projects.
- ◆ **Renewable Energy Facilitator** – To offer one-window assistance and support to project developers in order to help facilitate project approvals.

1. Expanding Renewable Energy (cont'd)

- ◆ **Streamline approvals for large transmission projects** – Remove duplication and provide clarity for large transmission projects necessary for accessing new renewable energy sources.
- ◆ **Remove local barriers to small-scale renewable energy projects** – Establish regulation-making authority to ensure municipal bylaws do not create barriers to small scale renewable energy projects, such as rooftop solar and ground source heat pumps. (Approach would be similar to lifting restrictions on outdoor clotheslines.)
- ◆ **Smart grid implementation** – Support the establishment and implementation of a smart grid for Ontario, which will bring on additional new renewable energy projects. (e.g., set the stage for the electric car, solar panels on roofs, distributed generation).
- ◆ **Incentives for small scale renewables** – Assist homeowners in financing the capital cost of residential renewables through a zero or low interest financing program. Eligible systems will be solar thermal, solar PV, and grounds source heat pumps.

2. Creating a Conservation Culture

- ◆ **Updating Ontario's Building Code** – Amend the Building Code Act to establish energy conservation as a key “purpose” of the code, establish a fixed review period of every five years to identify further opportunities to increase energy conservation, and establish an advisory council to provide the Minister of Municipal Affairs and Housing with advice on enhancing energy conservation through the Code.
- ◆ **Green Ontario government and broader public sector buildings/facilities** – Establish authority for (a) regular public reporting on energy use and GHG emissions for all major government facilities; (b) construction of energy and resource efficient government facilities through application of minimum standards (LEED Silver).
- ◆ **Establish sustainable funding for conservation** – Establish a central conservation programs information resource to direct consumers to appropriate conservation agencies.
- ◆ **Establish mandatory electricity conservation targets** for local distribution companies. Financial incentives and other initiatives will be introduced to ensure participation. Targets and achievement will be made public in order to create competition.

2. Creating a Conservation Culture (cont'd)

- ◆ **Protect low-income Ontarians** – Targeted conservation programs to help Ontarians with low incomes to better manage their energy costs.
- ◆ **Energy conservation and demand response for industrial consumers** – Establish initiatives to encourage energy conservation and demand management planning for large electricity consumers.
- ◆ **Require mandatory home energy audits** – Establish new requirement for home energy audits prior to sale of home.
- ◆ **Conservation plans and targets for the Broader Public Sector** – Municipalities, universities, colleges, schools and hospitals to develop conservation plans including information on energy use, conservation measures and quantifiable results of their implementation. Adopt a phased-in approach to provide smaller organizations with time to develop and implement plans.
- ◆ **Enhanced energy efficiency standard** for household appliances (e.g. refrigerators, freezers, dishwashers, clothes washers), including efficient use of water. Establish compliance dates and ENERGY STAR as preferred standard.

3. Expanding and Supporting Green Economy

Supporting Domestic Producers

- ◆ **Domestic Content** – Set domestic content requirements for procurement of renewables.

Opportunities for Aboriginal Communities

- ◆ **Aboriginal Engagement** – Aboriginal partnerships and capacity building will be important to the development of new renewable energy projects. The Minister will establish measures to facilitate the participation of aboriginal peoples in the development and implementation of renewable energy facilities, through a program for First Nation's and Métis to grow their capacity for developing renewable energy

Local Investments

- ◆ **Community Assistance Facilitation** – Support community investment by providing small scale grants and support for 'soft costs' (engineering and legal).
- ◆ **Support Community Power** - Enable community ownership of renewable energy projects by citizen led energy cooperatives and clarify that Local Distribution Companies and municipalities are able to invest in community (under 10MW) renewable energy projects.
- ◆ **Resources for Municipalities** – Supporting green municipalities through a new program to assist with the development of further local renewable energy projects.

What the Proposed Green Energy Act Means for Farmers and the Food Industry

- ◆ Economic grid investments would open up constrained zones so that more farm and food industry based generation can connect.
 - ↵ Recent Minister's Direction to the OPA has already opened up constrained zones to take biogas generation projects up to 5 MW.
 - ↵ Recent OEB decision to allow renewable generation facilities that are 500 kW or less to bypass queues.
 - ↵ Changes proposed to OEB Act to permit reallocation of grid upgrade costs.
 - ↵ Grid upgrades to facilitate distribution connected generation would begin this year.
- ◆ New approvals processes would streamline environmental and planning approvals.
- ◆ Service guarantees for approvals and connection assessments.
- ◆ New feed-in tariff would offer a more attractive price for biogas generation.
 - ↵ OPA consultations begin later this month.
 - ↵ Proposed prices will be released shortly.
- ◆ Community conservation opportunities tailored to the needs of farmers and the food industry.