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# Ontario's Green Energy Act & Proposed Feed-in Tariff Program

Great Lakes Wind Collaborative  
2<sup>nd</sup> Annual Meeting  
Milwaukee  
June 10/11, 2009



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## Goals:

- Ontario's Green Energy Act (GEA) was passed on May 14<sup>th</sup> 2009 and has two main goals:
  1. Making it easier to bring new renewable energy projects on line through streamlined approvals and development of a Feed-in Tariff Program.
  2. Fostering a culture of conservation by assisting homeowners, government, schools and industry to transition to lower and more efficient energy use.
- The Green Energy Act will also help ensure Ontario's green economy future by:
  - Building a stronger, greener economy with new investment, supporting well paying green jobs and economic growth for Ontario (50,000 jobs over the next 3 years)
  - Better protecting our environment, combating climate change and creating a healthier future for generations to come

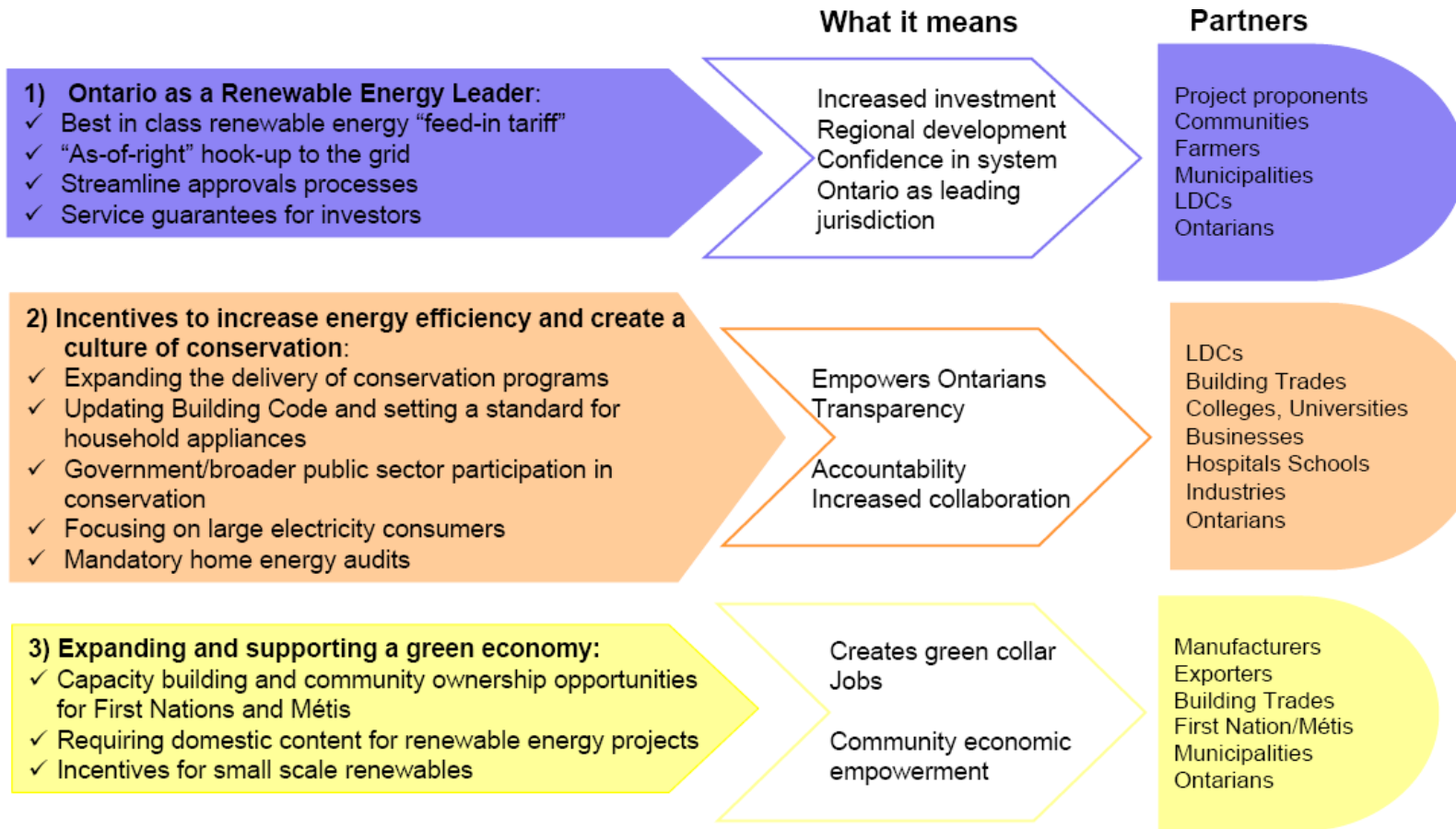
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Drivers:

- Climate Change
  - Go Green: Ontario’s Action Plan on Climate Change sets clear targets for reducing greenhouse gas emissions, green job creation, and supports efforts to build an “energy conservation culture” across the province.
  - Ontario has set a goal of eliminating electricity generation from coal (a major source of green house gases) by 2014. The province has 5 coal fired stations that can generate 7000+ MW, one has been closed, one converted to oil and gas and the others have already seen generation levels curtailed.
- A Stronger, Greener Economy
  - Supports the creation of 50,000 new jobs over the next 3 years and encourages major investments in new infrastructure projects over this period.
  - It is anticipated that development of renewable energy sources and associated manufacturing capacity will be a major policy initiative across North America and Ontario is positioning itself to take advantage of this macro trend.
- Upgrading Ontario’s Infrastructure
  - Ontario’s electricity system is in need of upgrading, according to the OPA, over ½ our generating capacity will need replacing in the next 20 years – development of new renewable sources of electricity will assist in achieving this objective.

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## Key Components:



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## MNR's Role:

- Steward of Crown land (Public Land) which is 87% of Ontario, including beds of the Great Lakes.
- Provide access to Crown land (and the water, wind, solar, etc. resources on it) in support of provincial renewable energy targets.
- Support sustainable development of provincial resources, including sustainability of significant natural heritage features.
- Support provincial commitment to facilitate economic development opportunities for Aboriginal communities.
- Support electricity system transformation with renewable energy/transmission on Crown land.

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## Key Characteristics: Ontario's Proposed FIT Program

- Managed by the Ontario Power Authority – Agency responsible for electricity procurement and planning for the province.
- Range of Technologies eligible including: wind, water, solar and biomass
- Differing prices for different technologies and project sizes
- Long-term contracts (20 – 40 Years)
- Prices that aim to cover total project costs and provide a reasonable rate of return (approximately 10%), encourages municipal and Aboriginal community participation in projects.
- Encourages Ontario Content
- Enshrines “take or pay” principle so generators are paid for what all the energy they produce – making renewables a top priority

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## Proposed FIT Pricing

Solar PV 44.3 (ground) – 80.2 cents/kWh

Wind onshore – 13.5 cents/kWh & Offshore 19 cents /kWh

Water - < 10 MW – 13.1 cents/kWh or > 10 MW – 12.1 cents/kWh

Water – Peaking Incentive – +35% Off Peak Reduction -10%

Biomass– 13.8 cents/kWh for projects < 10 MW and 13 cents/kWh for projects > 10 MW

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## Proposed FIT Pricing Cont'd

- Provisions for Aboriginal and community participation
- Projects with Aboriginal community equity participation of 10-50% receive up to 1.5 cents/kWh incentive for wind and solar, .9 cents/kWh for water and .6 cents/kWh for biomass
- Projects with municipal community equity participation of 10-50% are eligible for up to a 1 cent/kWh incentive for wind/solar, .6 cents/kWh for water and .4 cents/kWh for biomass

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A photograph of two large white wind turbines standing in a field of tall green grass. The turbines are positioned in the middle ground, with a line of trees behind them. The sky is a clear, bright blue. The word "Questions?" is overlaid in large, bold, black text on the right side of the image.

**Questions?**