

MEMBER COMMUNICATION

ALERT N^o: 09/066

To the attention of the Clerk and Council
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Green Energy Regulations Strongly Reflect AMO Input

Issue:

Regulations and other recent decisions related to the *Green Energy and Green Economy Act, 2009*, continue to fundamentally transform environment governing energy conservation, generation, and planning.

Background:

Overall, the Ontario Government listened to AMO and amended the regulations under the *Green Energy and Green Economy Act* to accommodate municipal concerns. The amendments ensure that municipalities are consulted prior to approving applications, stringent setbacks are in place for certain projects, and municipalities are compensated for increased costs. AMO's energy and municipal planning task forces have proven to be quite influential and the Government is continuing to consult with us regarding Green Energy initiatives.

The *Green Energy and Green Economy Act, 2009*, will impact municipalities in the following ways:

- Alter the planning approvals process for (renewable) energy projects
- Amend municipal revenues derived from (renewable) energy projects
- Establish a more aggressive tariff system for renewable energy fed into the grid
- Stimulate the development of a smart grid
- Encourage distributed generation
- Enable local distribution companies (LDCs) to become more active in energy conservation, planning, storage, and generation.

The Province has recently finalized announcing the [Ten Steps to Green Energy](#)—the five that are pertinent to municipalities are summarized in the attached backgrounder for your information. AMO will continue to evaluate pertinent regulations as they are developed and will bring recommendations forward.

Green Energy Regulations Backgrounder

Five of the *Ten Steps to Green Energy* pertinent to municipalities are summarized below for your information.

1. Transmission Expansion

Minister of Energy and Infrastructure George Smitherman has directed Hydro One to commence work on 20 transmission projects across the province over the next three years. Six core transmission network upgrades are moving forward, including North-South lines from Sudbury to Barrie and Barrie to the Greater Toronto Area and an East-West line from Nipigon to Wawa. Another series of core-supporting transmission projects and distribution upgrades are also moving ahead.

The projects represent an investment of about \$2.3 billion over the next three years, and are expected to result in about 20,000 positions over that timeframe. These projects include core lines, which form the backbone of the transmission system, and enabler lines as outlined below.



AMO Expressed our support for the “Right to Connect” provision in the *Green Energy Act* and we pushed for those areas experiencing grid congestion (currently designated as Orange Zones by the OPA) to be prioritized in terms of transmission investments by Hydro One in our Submission. This announcement goes a long way in addressing those concerns. Staff will continue to monitor efforts to make the interconnection requirements (and costs) consistent and transparent across the province.

2. Feed-in Tariff Program (FIT)

The [Feed-in Tariff program \(FIT\)](#) guarantees a price paid to producers for energy generated from renewable sources based on the technology used, the size of the project and ownership for 20 year terms.

The FIT guarantees market-viable prices for electricity generated from renewable energy sources and provide a reasonable rate of return for projects of different types and sizes. It includes standardized program rules, prices and contracts. The rates are based on the size of the project and the type of energy used to generate electricity.

FIT payments can range from C\$0.10 per kWh for landfill gas projects larger than 10 MW to C\$0.82 kWh for residential solar rooftop projects 10 kW or smaller. The FIT also includes a price adder for Aboriginal and community projects to encourage participation.

The Ontario Power Authority (OPA) will begin accepting FIT applications on October 1 and expects to sign the first contracts in early December.

AMO’s subsidiary LAS now offers a turn-key solar photovoltaic [installation service](#) that enables all municipal facilities with available roof space to take advantage of the (FIT) Program. LAS will provide interested municipalities with turn-key project deployment that includes: project design, installation, OPA and other legal agreements, connection to the grid, plus a custom-built public information kiosk.

Micro FIT Program Brochures Now Available

The OPA has printed a brochure on the micro feed-in tariff program (the FIT for projects less than 10 kilowatts) that is now available for distribution. Interested municipalities can obtain quantities to use in response to information requests from members of their communities.

The pamphlet gives some general information and provides the website address for people to access more detailed information.

Email info@powerauthority.on.ca and provide the following information:

- Quantity of pamphlets requested
- Name of contact at the municipality and phone number
- Shipping address for delivery of the pamphlets (can’t be a box number)
- Special shipping instructions (if any)

3. Renewable Energy Approval

The Renewable Energy provisions of the *Environmental Protection Act* were proclaimed into force on September 24, 2009. This new approach and the updated rules related to it reflect changes to: regulations under the *Environmental Protection Act*, *Environmental Assessment Act*, *Environmental Bill of Rights, 1993*, *Ontario Water Resources Act*, for which the Ministry of the Environment is responsible, to the *Planning Act*, which is the responsibility of the Ministry of Municipal Affairs and Housing, and to policies and requirements set by the Ministry of Natural Resources under various pieces of legislation. It does not, however, address federal requirements which continue to exist.

As of September 24, 2009, renewable energy projects are no longer subject to the following land use planning instruments under the *Planning Act*: official plans; demolition control by-laws; by-laws or orders passed under Part V of the Act, including zoning, site plan, holding, temporary use and interim control by-laws; and development permit system by-laws.

The regulations contain transition provisions for renewable energy projects, including wind facilities, that have reached certain stages of the Environmental Screening Process in accordance with the Electricity Projects Regulation (O. Reg. 116) prior to the in force date of September 24, 2009. The following information may help you identify how these regulations apply to project(s).

- Projects for which all required Ministry of the Environment approvals have been issued (e.g. Certificate of Approval), will not require a Renewable Energy Approval.
- Proponents of wind facilities that have reached the Notice of Commencement stage, but have not yet issued a Notice of Completion, are required to comply with the requirements prescribed in the new Renewable Energy Approval Regulation, and the requirements under O. Reg. 116 no longer apply.
- Proponents of wind facilities that have issued a Notice of Completion AND have not entered into a power purchase agreement with the Ontario Power Authority (including projects that are currently in the elevation review process) are required to comply with the requirements prescribed in the new Renewable Energy Approval Regulation, and the requirements under O. Reg. 116 no longer apply.
- Proponents of wind facilities that have issued a Notice of Completion AND have entered into a power purchase agreement with the Ontario Power Authority (including projects that are currently in the elevation review process) are not required to obtain a Renewable Energy Approval. These projects must continue following the Environmental Screening Process in accordance with O. Reg. 116 and obtain all required MOE Certificates of Approval and permits. These projects, however, must comply with the provisions related to noise, road and property setbacks in the new Renewable Energy Approval Regulation.

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- Proponents of wind facilities that have issued a Statement of Completion AND have entered into a power purchase agreement with the Ontario Power Authority but have not yet obtained all MOE Certificates of Approval and permits are not required to obtain a Renewable Energy Approval. These projects can continue to obtain required MOE Certificates of Approval and permits. These projects, however, must comply with the noise, road and property setbacks outlined in the new Renewable Energy Approval Regulation.
- Proponents of wind facilities that have issued a Statement of Completion AND have not entered into a power purchase agreement with the Ontario Power Authority AND have not obtained all MOE Certificates of Approval and permits are required to comply with the requirements prescribed in the new Renewable Energy Approval Regulation. These projects, however, will not be subject to the new third party appeals before the Environmental Review Tribunal that are provided for under the *Environmental Protection Act*.
- All wind projects that have completed the Environmental Screening Process AND have obtained all required MOE Certificates of Approval and permits are not subject to the requirements prescribed in the new Renewable Energy Approval Regulation.
- Proponents of solar and bio-energy projects that were not subject to the environmental assessment requirements but have an Ontario Power Authority contract and were not prohibited under municipal zoning prior to September 24th will be able to apply for a Certificate of Approval instead of a Renewable Energy Approval.

AMO believes the new rules allow projects to be planned more efficiently while maintaining province-wide standards for health, safety and the environment. In addition, we are pleased that there is to be no ground-mounted solar procurement above 100 kW on Class 1 and 2 or Specialty Crop Areas to provide continued protection of such lands. Some ground-mounted solar procurement, up to 500 MW, will be allowed on Class 3 lands, to be allocated on a regional basis.

For further details, please refer to the MOE's Renewable Energy Approval web site at: www.ene.gov.on.ca/en/business/green-energy.

4. Renewable Energy Facilitation Office (REFO)

The [Renewable Energy Facilitation Office](#) (REFO), has been established to provide a one-window access point to assist developers, communities and municipalities obtain information on developing renewable energy projects in Ontario, and help them navigate through the regulatory approvals necessary to bring their projects to life.

Depending on the size, type, and location of your renewable energy project you may be required to obtain a Renewable Energy Approval from the Ministry of Environment and be subject to approval and permitting requirements under the Ministry of Natural Resources. The REFO can help proponents determine in general terms which, if any, approvals and permits your project will require and which government or agency is responsible for required permits. The REFO will also advise proponents on the mandatory municipal consultation process as part of the Renewable Energy Approval (REA).

The REFO can be reached at: REFO@ontario.ca or 1-877-440-REFO (7336) [Monday-Friday between the hours of 9:00 a.m. to 5:00 p.m. EST]

5. Municipal Renewable Energy Program

The Province will provide support to municipalities for costs associated with new renewable energy projects. While many of these costs are, and will continue to be, appropriately charged to the developers themselves, it is expected some additional costs may arise. AMO continues to work with the Ontario Power Authority (OPA) to develop this program and is pleased that the OPA will consult municipalities that have been directly involved in renewable energy projects before finalizing this program.

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This information is available in the Policy Issues section of the AMO website at www.amo.on.ca.