
To: Mayor and Members of Council

From: Development Approval & Planning Policy Department

Meeting: 2012-08-14

Subject: Green Energy & Green Economy Act Update: Changes and Implications

RECOMMENDATIONS

That Report DP-2012-071 regarding Green Energy & Green Economy Act Update: Changes and Implications, be received; and

WHEREAS the Province's FIT Program encourages the construction and operation of rooftop solar generation projects under 500 kW (the "Projects").

AND WHEREAS one or more Projects may be constructed and operated in the Town of Caledon.

AND WHEREAS, pursuant to the rules governing the FIT Program (the "FIT Rules"), Applications whose Projects receive the formal support of Municipalities will be awarded priority points, which may result in these Applicants being offered a FIT Contract prior to other persons applying for FIT Contracts;

AND WHEREAS this resolution's sole purpose is to enable the Applicant to receive priority points under the FIT Program and may not be used for the purpose of any other form of municipal approval in relation to the Application or Projects or any other purpose.

NOW THEREFORE BE IT RESOLVED THAT:

The Town of Caledon supports in principle, the construction and operation of Projects anywhere in Caledon and the applicant is solely responsible for complying with all applicable laws and the following:

1. That all solar panels have an anti-reflective surface;
2. That fire safety issues be addressed to the satisfaction of the Town of Caledon Fire and Emergency Service Department with respect to emergency situations; and
3. That the property is not on the Heritage Register nor designated as a heritage property.
4. That if the property is listed on the Town of Caledon Heritage Register or designated as a heritage property a Heritage alteration approval has been provided.

That staff report back to Council regarding the adoption of a protocol for processing those applications that are not solar rooftop projects less than 500 kW, and to establish a fee for the review of those applications.

ORIGIN/BACKGROUND

The Green Energy and Economy Act was enacted in 2009. The intent of the act was to position Ontario as a leader in renewable energy, energy conservation, and create a green economy. These goals were to be achieved by: 1) streamlining the development of renewable energy projects; 2) creating a culture of energy conservation; and 3) expanding and supporting a green economy.

A two year review of the Feed-in Tariff (FIT) program was announced in October 2011, the mandate of the review included:

- Developing FIT and microFIT program rules that will dictate the awarding of 50 MW of microFIT and 200 MW of small FIT contracts.
- Reducing FIT prices;
- Ensuring the long-term viability of clean energy procurement;
- Continuing to build on the success of Ontario-based manufacturing and clean energy job creation;
- Improving local consultation and renewable energy approval processes; and
- Developing new technologies and fuel sources.

This report will provide an overview of the proposed and approved changes and will outline the implications of these changes for the Town of Caledon. These changes apply to all microFIT and FIT projects that have been submitted on or after September 1, 2011.

DISCUSSION

Tariff Changes

The microFIT program provides homeowners and other eligible participants with the opportunity to develop a small or “micro” renewable electricity generation project (10 kilowatts (kW) or less in size) on their property. The process is streamlined to allow for quick review and approval. The FIT Program is for renewable energy projects that can generate more than 10 kilowatts (kW) of electricity, this program has a more extensive review that must be completed for a contract to be approved. Both programs must be completed in compliance with all applicable laws including the Ontario Building Code. The revised microFIT program (MicroFIT 2.0) was released on July 12, 2012. The FIT policy review has been completed and programs regarding small and large FIT are being finalized. This Provincial program awards 20 year contracts to approved renewable energy generators within Ontario (low-impact hydro projects are eligible for 40yr contracts). The FIT review process has resulted in a reduced solar and wind feed-in tariffs. The proposed tariff structure for FIT programs has been designed to reflect the decreased costs in renewable generation infrastructure.

Table 1: Revised Feed-in Tariffs

Fuel	Project Size	Original FIT Tariff (c/kwh)	New FIT Tariff (c/kwh)	% Change from Original FIT Tariff
Solar Rooftop	≤ 10 kW	80.2	54.9	-31.5 %
	> 10 kW ≤ 100 kW*	71.3	54.8	-23.1 %
	> 100 kW ≤ 500 kW*	63.5	53.9	-15.1%
	> 500 kW	53.9	48.7	-9.6%
Solar Ground mount	≤ 10 kW	64.2	44.5	-30.7%
	> 10 kW ≤ 500 kW*	44.3	38.8	-12.4%
	> 500 kW ≤ 5 MW*	44.3	35.0	-21.0%
	> 5 MW		34.7	-21.7%
Wind	All Sizes	13.5	11.5	-14.8%
Water	≤ 10 MW	13.1	13.1	0.0%
	> 10 MW ≤ 50 MW	12.2	12.2	0.0%
Biomass	≤ 10 MW	13.8	13.8	0.0%
	> 10 MW	13	13	0.0%
Biogas On Farm	≤ 100 kW	19.5	19.5	0.0%
	100 kW ≤ 250 kW	18.5	18.5	0.0%
Biogas	≤ 500 kW	16	16	0.0%
	> 500 kW ≤ 10 MW	14.7	14.7	0.0%
	> 10 MW	10.4	10.1	0.0%
Landfill Gas	≤ 10 MW	11.1	11.1	0.0%
	> 10 MW	10.3	10.3	0.0%

* New project Size

MicroFIT Procedural Changes

Table 2 outlines approved changes to the MicroFIT program.

Table 2: MicroFIT Procedural Changes

Multiple Applications	Individuals and farmers may only have one project and may not have multiple applications active at one time, whether or not the project or application is in respect to separate properties. Municipalities are permitted to have multiple systems.
Land Ownership	With the exception of most public institutions applicants must own the land where the project is located. Public institutions will be able to lease the land on which their project is located.
Ground-mounted generation restrictions	Ground-mounted solar (10 kW or less) or wind projects (3 kW or less) will be prohibited from locating on lands that are used for residential purposes or lands abutting lands that are used for residential purposes. On commercial or industrial land, the project may not be the main, primary or only purpose for which the property is used. <ul style="list-style-type: none"> However, for property where the Lawfully Permitted Use is agricultural, a Renewable Generating Facility is permitted on such property or on property that abuts such property if residential use is permitted as ancillary to the agricultural use.

Municipal Review	<p>All applicants applying for ground mounted generation as defined above must have the municipality verify the property's zoning through the completion of one of two prescribed forms:</p> <ul style="list-style-type: none"> - A written opinion of a Land Use Planner or a director of planning or equivalent municipal official; or - A written certification of a chief building official, municipal chief administrative officer, municipal clerk, or equivalent official of each municipality in which the project is located, in whole or in part.
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FIT Procedural Changes (Draft)

Table 3 outlines proposed changes to the FIT program.

Table 3: FIT Procedural Changes

Points Prioritization	Applications will be prioritized with points awarded based on applicant type, municipal support, Aboriginal support, project readiness and electricity system benefit. Applicants with most points will be offered contracts first. (See Table 4)
Residential purposes	Ground-mounted solar projects need to be located on lands that are not used for residential purposes and also cannot be adjacent to lands that are used for residential purposes.
Commercial and industrial lands	Ground-mounted solar projects are permitted on commercial and industrial lands as long as it is the secondary use of the property. However, if the project is the only use of the property, it will be ineligible.
Agricultural Projection	Expand protection to include organic and mixed soils and remove zoning exemptions and add to the original protection of agricultural lands by prohibiting solar ground-mount projects (over 10 kW) on prime agricultural land that contain any Class 1, 2 or 3 soils.

The FIT program has been modified to include prioritization scoring. Projects will be ranked according to the score received. Projects will be prioritized and approved based on the scoring. Prioritization points are awarded based on a variety of criteria as shown in Table 4.

Table 4: Proposed Prioritization Scoring

Applicant Type	Local Participation Level	Points
Local Community with minimum 15% equity	Project includes 50 or more property owners who live in the municipality where the project is located	3
Aboriginal with minimum 15% equity	N/A	3
Public Schools, Colleges, Universities, Hospitals & Long-Term Care Facilities with minimum 15% equity or project host	N/A	2
Other participants	N/A	0
Additional Points		
Municipal Council Support Resolution		2
Aboriginal Community Support Resolution		2
Project Readiness		2
System Benefit (water and bioenergy)		1

Implications

The proposed modifications to the FIT program are intended to help address some municipal concerns surrounding the program.

There will be a limited allotment of 200 MW for small FIT programs. As a result it is anticipated that obtaining a FIT contract will be a competitive process. Therefore prioritization points will be critical for projects looking to obtain a FIT contract. Council has the option to pass a resolution of support, however the resolution is not required for a project to proceed, it only provides prioritization for the project. Staff has already begun to receive requests for resolution of support.

The OPA has proposed two methods to provide municipal support for FIT projects. The prescribed forms are in draft form on the OPA website. The Town could provide a blanket resolution for FIT projects, or each project can be evaluated and provided a specific resolution on each projects merits. The resolution recommended has been modified from the draft prescribed blanket resolution to included heritage and emergency management concerns.

The FIT program has a few different types of projects, some of which are low impact and others which would require further study to ensure they meet the Town objectives. To encourage renewable energy projects within the Town which is in keeping with the Caledon Community Based Strategic Plan and Community Climate Change Strategy it is recommended that Council adopt a resolution that supports in principal solar rooftop small FIT projects. All other FIT projects would be reviewed by Staff following a procedure similar to the Caledon Telecommunication Towers Protocol and a report would be brought to council for individual projects. This hybrid approach will allow the Town to optimize its use of existing resources.

An applicant is still required to submit the project design to the building department for review and approval. Depending on the type and size of the FIT project there are also other regulatory approvals that may be required including the Renewable Energy Act (REA), Nutrient Act or an Environmental Approval.

The Town of Caledon has been approached by three vendors requesting council resolution for their projects. The first vendor is proposing a 2,640 kW ground-mount solar farm. The other vendors are requesting resolutions for solar roof top systems (All Region of Peel School Board Buildings and an Industrial Facility in Bolton). Staff is recommending that the first vendor have their application reviewed by staff. The applicants proposing roof-top solar small FIT projects would be able to submit this reports recommended resolution.

Other Municipalities

Municipalities across Ontario have been requested to provide council resolutions supporting FIT projects. Table 5 outlines how some of the surrounding municipalities have responded to this request.

Table 6: Other Municipalities Resolutions

Town of Milton	A resolution was passed on June 16 for solar installations on Town owned infrastructure.	Project Specific
City of Mississauga	A resolution was passed on June 14 which supports, in principle, all rooftop solar projects.	Blanket Resolution
Municipality of Strathroy-Caradoc	Passed two resolutions on May 7, 2012 supporting individual rooftop solar projects.	Project Specific
City of Vaughan	Committee of the Whole approved a recommendation on June 5, 2012 that gives staff authority to provide applicants a copy of the resolution where the application meets certain criteria (Industrial Facility, Public Use Building, Approved by Council in a Site Plan Approval)	Project Specific
City of Brampton	Committee of Council passed a recommendation to Council on June 13, 2012 supporting specific roof top solar projects.	Project Specific
City of Burlington	Has passed a blanket resolution on July 16 th for all rooftop mounted panels under 500 kW. All other application will require a specific resolution.	Blanket Resolution

In summary, it is recommended that council support all solar rooftop small FIT projects by adopting a resolution of support in principal. All other FIT projects would be evaluated following the new Town protocol and a report with the recommendations from Staff would be brought to council.

FINANCIAL IMPLICATIONS

The anticipated work required for Town staff to circulate (Town and outside agencies) and review the FIT applications for projects other than roof mount solar projects under 500 kW, is similar to work required for Telecommunications site work applications.

When the protocol is developed then staff will analysis whether a new fee will be required.

LEGAL IMPLICATIONS

Not applicable.

NEXT STEPS

- Develop a Protocol for support of FIT installations not covered within the small FIT resolution and bring back to Council.

COMMUNITY BASED STRATEGIC PLAN

GOAL 1: PARTNER WITH LAND OWNERS AND COMMUNITY TO PRESERVE, PROTECT AND ENHANCE OUR ENVIRONMENT AND AGRICULTURAL RESOURCES AND NATURAL CAPITAL

Strategic Objective 1B – Protect and enhance air quality and reduce impacts of climate change.

Strategic Objective 1C – Support Green energy and energy reduction

GOAL 2: COMPLETE OUR COMMUNITY OF COMMUNITIES

Strategic Objective 2D: manage Growth and Use Land Wisely

iv. Growth contributes positively to Caledon's image and economic vigor;

GOAL 5: CULTIVATE A DIVERSE AND PROSPEROUS ECONOMY

Strategic Objective 5D: Support and Promote Agricultural Business

Encourage and support opportunities to diversify on-farm income as a way of protecting agricultural land for the future generations. Encourage agricultural businesses and agriculture service industry to remain and thrive in Caledon.

GOAL 6: PROVIDE STRONG GOVERNANCE AND COMMUNITY ENGAGEMENT

Strategic Objective 6A: Provide High Quality Public Services

Be a leader in the delivery of appropriate, quality and efficient town services.

POLICIES/LEGISLATION

Green Energy and Green Economy Act

- microFIT Rules 2.0

- FIT Rules 2.0 (Draft)

CONSULTATIONS

Jeremy Schembri, Town of Caledon

Helen Kwan, Renewable Energy Facilitation Office, Ontario Ministry of Energy

ATTACHMENTS

CONCLUSION

Based on the new version 2.0 Feed in Tariff (FIT) rules it is anticipated that the Town will be receiving numerous requests for council resolutions supporting applicant submissions for FIT contracts.

It is recommended that the Town of Caledon show its support for the FIT program by passing a resolution that provides support for all roof-mounted solar small FIT projects. For all other FIT applicants it is recommended that a Council approved protocol be implemented where applicants must submit their proposed project description, details to Staff for review. Once implemented, the new protocol will be utilized to submit recommendations on future REA projects for a potential council resolution of support.

Prepared by: Tom Darlow

Approver (L1): Jeremy Schembri

Approver (L2): Mary Hall

Approver (L3): Douglas Barnes

Approver (L4):

Approver (L5):

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