FCPC Submission on Ontario's Long Term Energy Plan (LTEP) Public Consultation to Ministry of Energy

Submitted on September 16, 2013

In response to the Ontario government's consultation on the Long-Term Energy Plan (LTEP) document "Making Choices: Reviewing Ontario's Long-term Energy Plan"

The Federation of Community Power Co-operatives (FCPC) hereby submits its comments to the Long Term Energy Plan consultation. The FCPC is an association of renewable energy co-operatives that are working together to enable Ontario citizens to become actively engaged in green energy activities in the province by enabling investment in and economic returns from renewable energy projects, as well as sharing important energy awareness information and encouragement of conservation practices.

We support a Conservation First approach to addressing Ontario's short, medium and long-term energy needs, recognizing that conservation is the cheapest and cleanest form of new generation that engages and empowers people at the local level. We also believe in a 100% renewable energy (RE) future for Ontario and believes the province's 20 year energy plan should establish the foundation for achieving that goal by 2035.

The suggestions made in the LTEP document for building out new nuclear power generators is a contradiction to a robust RE future and will lock Ontario into an inflexible generation system. Nuclear generators are not flexible enough to accommodate growing innovations in the electricity sector, neither in terms of the lead times for their construction nor during generation. Moreover, recent studies have shown that through conservation and RE measures the province's needs can be met at much lower costs. A portfolio of RE and conservation is financially competitive with plans to repair aging reactors at Darlington. As nuclear costs have only ever increased and renewable costs are dropping, we must reconsider alternatives to keeping aging reactors running.

An important element in the move towards renewables is the participation of citizens in local projects. The community power model enables just that. As ambassadors of green energy, RE co-operatives around the province are educating and engaging Ontarians to support and participate in RE and conservation. These actions require further support given the huge potential CP has for meeting multiple policy objectives in Ontario, as it already has in many jurisdictions. The community-based nature of the projects, the social finance framework by which they are developed and the fact that they are green energy, distributed generators, address a number of key issues important to this province, as follows:

- Contributing to the development of vibrant, self-sufficient communities;
- Generating employment and community wealth, by keeping profits local;

- Reducing the environmental impacts of energy use and our demand for fossil fuels;
- Creating local support for project development by engaging individuals and communities;
- Reinforcing the importance of energy conservation at the individual and community level;
- Providing electricity systems benefits by generating close to loads.

In the short term, the community power sector is recommending the following points to lay the foundation for a future in which half of all generation is citizen owned:

1. Establish a dedicated community power procurement target of 1000 MW installed by 2018 for community projects (i.e. majority (>50%) owned by co-ops, Aboriginal communities, and municipalities) to be met by all 4 renewable energy technologies – solar, wind, hydro and bioenergy. That number should increase ten-fold 10 years hence.
2. Carry forward the Small-FIT program beyond the 4-year window and reintroduce a rolling application process. Current targets for CP by 2018 stand at 500 MW. These targets should apply to the community-controlled portion of projects only and must be extended aggressively beyond 2018.
3. Establish a Medium FIT Program (MidFIT) for community power projects connecting directly to the distribution system inclusive of all 4 renewable energy technologies – solar, wind, hydro and bioenergy. Set a 500 MW target for MidFIT to be installed by 2018 where eligibility is restricted to community proponents, as follows:

   125 MW for co-ops (>50% ownership)

   125 MW for co-ops (>35% ownership)

   125 MW for Aboriginal groups (>50% ownership)

   125 MW for municipalities (>50% ownership)

4. Introduce a community benefits points scheme for the new competitive procurement process (RFP) for large renewable energy projects. Points for community benefit could be awarded for the following conditions being met:

- Some community ownership or direct participation (min. 15%)
- Establishment of a community benefit fund to be governed locally
- Communal land lease agreement with adjacent landowners

Finally, we request that energy pricing in this province be done on a full-cost, transparent and comparative basis. The lack of transparency in the price estimates of

some energy sources (notably nuclear power) and the lack of full cost accounting of various generation and conservation options provide a skewed image of the cost of energy in this province. This needs to change. No decisions should be made on new nuclear build until there is a fully transparent cost estimate with a guaranteed price contract. The first use of this data would be to update the avoided costs used in the analysis of cost effectiveness for conservation.