

Green Energy Act Introduced to Ontario's Provincial Parliament:

Feed-in Tariffs Key Implementation Mechanism

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By Paul Gipe

On February 23, Ontario's powerful Minister of Energy and Infrastructure George Smitherman introduced into provincial parliament in Toronto Bill 150 to be known as the Green Energy Act.

The massive and far reaching bill--the summary alone is eleven pages--tackles, renewable energy, energy efficiency, and building codes as well as streamlines project permitting.

Among its many provisions is the Ministers ability to use feed-in tariffs as a key implementation mechanism. Unlike the German Renewable Energy Sources Act, Bill 150 does not include specific feed-in tariffs. The tariffs will be determined in a separate administrative process.

Minister Smitherman is not only the Minister of Energy and Infrastructure but also Deputy Premier. As such, Smitherman is second only to Ontario's premier Dalton McGuinty in the cabinet.

In recent public presentations, both Minister Smitherman and Premier McGuinty have emphasized that they intend for the Green Energy Act to push Ontario to the forefront of renewable energy development in North America. Most ambitiously, they have said that the Green Energy Act will create 50,000 new jobs in the province within three years.

Ontario has been hard hit by the collapse of the auto industry. Before the financial crises, there were more people employed in the auto industry in Ontario than in the entire state of Michigan. Since the middle of 2008, Ontario has been shedding tens of thousands of auto industry jobs.

The government hopes to turn some of the now idle factories to manufacturing green products such as wind turbines and solar panels.

In Ontario's Westminster form of parliamentary rule, a majority government can almost guarantee passage of a bill introduced with the support of the cabinet. Amendments may be offered and debated but passage of the bill is almost certain.

The government expects the bill to be passed in its entirety by the end of May. Because

of the near certainty of passage, the government has directed that an administrative process begin February 10th to run parallel and alongside the legislative process. The administrative process will be managed by the Ontario Power Authority and will examine the specific tariffs to be used in the Green Energy Act.

If the process proceeds as planned, Ontario may introduce, pass, and implement a system of feed-in tariffs before Hawaii, scheduled for July, 2009, and certainly before any other state or province in North America.

Ontario introduced its first feed-in tariff program, called the Standard Offer Contract program, in the fall of 2006. At the time it was hailed as the "most progressive renewable energy policy in North America in two decades". Though the program resulted in more than 1,500 MW of contracts, only 75 MW of capacity was built.

Since then there have been a flurry of proposals in several states to implement comprehensive systems of feed-in tariffs like those in Germany, France, and Spain.

The province, Canada's most populous, wants to maintain its leadership position in North America and in so doing land the potentially thousands of jobs that will result from development of North America's huge renewable resource.

Among some of the many provisions of Bill 150 are:

Community Renewables

Authorizes the formation of renewable energy cooperatives under Ontario law. Previously, wind cooperatives, such as WindShare (co-owner of the commercial-scale wind turbine in downtown Toronto), didn't meet the technical definition of the law. This provision was clearly aimed at fostering more community wind projects in Ontario, long a wish of the Ontario Sustainable Energy Association, one of the principle proponents of the act.

Aboriginal Renewable Development

Further, the act specifically grants the Minister of Energy authority to direct the Ontario Power Authority to "facilitate the participation of aboriginal peoples" in developing renewable energy projects. This provision too has been discussed publicly and privately in Ontario for several years. If exercised, this provision could be a groundbreaking development for First Nations and Métis communities in Ontario and potentially a precedent-setting move for Native Americans in the United States.

Priority Access to the Grid

Bill 150 amends the Electricity Act to require that local distribution companies (utilities) provide access to the grid for renewable generators. This provision is one of the essential

features of Germany's Renewable Energy Sources Act and has been long sought by Ontario proponents of renewable energy.

Allows Municipal Governments To Participate

The act will for the first time allow municipal governments to develop their own renewable energy projects up to 10 MW.

Creates a Renewable Energy Czar

The act will create Renewable Energy Facilitator who will be responsible for monitoring the program. Renewable energy advocates have long-suggested designating someone with clear responsibility for making sure the program works as promised.

Establishes a System of Feed-in Tariffs

Bill 150 gives the Minister of Energy the authority to "direct" the Ontario Power Authority to develop a "feed-in tariff program". This program will provide rules, contracts and pricing. The tariffs will "differentiated by energy source or fuel type, generation capacity and the manner by which the generation facility is used, deployed, installed or located".

This provision of the act is another key element of successful systems of feed-in tariffs like those found in Germany, France, and Spain. Advocates, such as the Ontario Sustainable Energy Program, have been arguing for such differentiated tariffs since 2004. The province's original Standard Offer Contract program included only two tariffs: one for solar, and another for everything else. The implication of this provision in the bill is that Ontario plans to more closely follow successful practices elsewhere.

[Proposed Green Energy Act Attracts Industry-wide Support](#)

Introduction of Bill 150 has attracted a wide spectrum of support: A veritable who's who of labor, agriculture, business and the environment in Ontario and around the world.

Here's a sample

Addressing climate change requires a coordinated effort not only continentally but globally. Through this legislation, the Government of Ontario is moving the agenda ahead on the key issue of our time and we look forward to working with our neighbors to the north on tackling global warming.

Frances Beinecke, President, Natural Resources Defense Council, U.S.A.

Premier McGuinty's new Green Energy Act represents the change in thinking we need. Its far-reaching ecological and economic intent reflects Ontario's ambitious commitment to fight climate change and promote renewable energy. The promise of the Green Energy Act is clear - to transform Ontario into a low carbon economy and create tens of

thousands of new green jobs in its wake.

Jenny Clad, Executive Director, The Climate Project, USA

Links to Press Reports and More Information

- [Bill 150, Green Energy and Green Economy Act, 2009](#): Main Status Page
- [Bill 150](#) (html version)
- [Bill 150](#) (pdf version)
- [Green Energy Act Summary](#)
- [Compendium: Green Energy and Green Economy Act, 2009](#)
- ["Vast job opportunities" in Green Energy Act, Minister says](#) Ottawa Citizen. Homeowners in Ontario will be forced to conduct energy audits before selling their property as part of new legislation introduced Monday at Queen's Park. . .
- [Province to fast-track wind turbine projects](#) By Tyler Hamilton, Toronto Star. Municipalities will lose the power to decide how close wind turbines can be to residential properties and environmentally sensitive areas under proposed green-energy legislation being tabled Monday. The new rules, a blow to NIMBYism, will also ensure that developers of wind and other renewable-energy projects get construction permits within six months. . .
- [Switch to green jobs crucial for Ontario, McGuinty says](#) Toronto Star. A switch from making cars to making wind turbines may not be easy for workers in Ontario but green technology is key to boosting the province's economy, Premier Dalton McGuinty said Monday ahead of tabling new legislation. . .