

The impact of changes in FIT 2.0

Ontario's Feed-in Tariff program was introduced in 2009, when the province enacted the Green Energy and Green Economy Act as a means to stimulate renewable energy generation and to promote related businesses in Ontario. Under this program, the provincial government procures renewable energy from qualifying large and small-scale generators by granting long-term contracts at guaranteed stable rates. In late 2012, the program was re-launched with a new set of rules and guidelines, as FIT 2.0, which were then amended in December 2012 creating the current rules and contract forms (version 2.1). In this quiz, we review some scenarios incorporating the key changes applicants developing projects under the FIT program will need to be aware of.



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1 The Ontario Power Authority is reviewing two applications for Contract Capacity Set-Aside projects — one has 60 per cent aboriginal participation and the other has 75 per cent aboriginal participation. How will the OPA determine which application has priority?

- (a) The projects will be ordered based on priority points and time stamp
- (b) The project with the highest percentage aboriginal participation (75 per cent) will be given priority
- (c) Both projects will be given equal priority

2 Your company is in the pre-application stage for submitting their FIT application for a ground-mounted solar photovoltaic project and has site access rights to a parcel of agricultural land in southern Ontario. According to Canada Land Inventory maps, the proposed property for this particular project involves a mix of CLI Class 3 lands as well as non-prime agricultural land. Based on these soil classifications, will the project be eligible for FIT?

- (a) Yes
- (b) No
- (c) It depends

3 Under FIT 2.0, applications are accepted during specific application periods, rather than on an ongoing basis. Your company has submitted two contracts for two rooftop solar projects within the same application window and was awarded contracts for both. One project is for 10 MW and the other is for 20 MW. How long does your company have to complete the projects and bring the contracts to commercial operation?

- (a) 36 months following the contract date
- (b) 18 months following the contract date
- (c) Five years following the contract date

4 Your company is looking at potential sites for a 100 MW wind farm and has zeroed in on a site outside Thunder Bay. The site has excellent wind resource, environmental screening has not revealed any major environmental constraints in the area, and the site is located approximately 15 km from the existing high-voltage transmission circuit. According to the new rules in FIT 2.0, is this site located at an appropriate distance from the project's connection point (i.e. the existing transmission circuit)?

- (a) Yes this distance is appropriate
- (b) The project is located too close to the connection point
- (c) The project is located too far away from the connection point



1 (a) The projects will be ordered based on priority points and time stamp. To determine which project would have priority and be screened for available capacity first, the OPA would first need to determine if one of the projects has a higher number of priority points than the other. Priority points are awarded based on a number of criteria, including project type (community participation project, aboriginal participation project, education or health participation project) as well as non-project type (municipal council support, aboriginal support, project readiness, pre-existing application time stamp, education or health host, and system benefit).

Both of these projects automatically receive three priority points as aboriginal participation projects. Furthermore, since aboriginal communities hold over 50 per cent of the economic interests in each project, both projects qualify as Contract Capacity Set-Aside projects — the specific percentage does not matter. In the event there is a tie among priority points, the time stamp showing when each application was received by the OPA would then be used as a tie breaker. An application's time stamp on or prior to July 4, 2011 will receive one priority point, while time stamps on or after July 5, 2011 will receive 0.5 priority points (meaning a time stamp on or prior to July 4, 2011 would receive priority).

2 (c) It depends. There are seven classes to rate agricultural land capability in Canada. Under Canada Land Inventory, Class 1 lands have the highest capability and Class 7 lands the lower capability to support agricultural activities. In the previous FIT program, ground-mounted solar PV projects could be located on CLI Class 3 lands (but not CLI Class 1 or 2). Under FIT 2.0, there are tighter restrictions and in general, with limited exemptions, these projects must not be located on lands rated as CLI classes 1 to 3, CLI organic lands, or specialty crop areas. In a case where the property contains a mix of soils (i.e. some Class 1-3 and some Class 4-7), a soils study completed by a soil scientist meeting minimum requirements as well as a soil peer review process (as set out by the Ontario Ministry of Agriculture, Food and Rural Affairs, and the Ministry of Energy) must be completed to accurately

determine the Class 4-7 portion of the property available for the project. In this case, your company would need to include the soil study accompanied by the peer review process in the application demonstrating that the site is not located on CLI Class 3 Lands.

3 (a) 36 months following the contract date. While a single solar rooftop project is required to reach commercial operation within 18 months, there is an exception for proponents who have a portfolio of more than 15 MW of projects contracted from the same application window. In this situation, your company has a portfolio of projects and so they are able to choose to have 36 months to reach commercial operation. The time limits vary according to the type of project. Like solar rooftop portfolios, on-shore wind projects, non-rooftop solar projects, and bioenergy projects have three years following the contract date to reach commercial operation. Waterpower projects, on the other hand, have five years following the contract date.

4 (a) Yes this distance is appropriate. Under the FIT 2.0 rules, all projects, other than waterpower projects, must be located no further than 50 km from their proposed connection point to the distribution or transmission system. There is no minimum distance required. Since your company is proposing the connection point to be the high-voltage transmission system located just 15 km from the project site, this would be an appropriate distance according to the FIT Rules. Since the FIT Rules were posted in August of 2012, the Ministry intends to meet with pre-existing large FIT project applicants to consider any input they may provide on their experience and how to improve this Rule as it applies to large FIT projects.

YOUR RANKING?

- **One or less correct:** *might be time to brush up*
- **Two correct:** *not bad, but some further work needed*
- **Three:** *very well done, but not perfect*
- **Four correct:** *excellent*