

Appendix B

The table below outlines examples of barriers to increased energy sustainability, and possible approaches to overcoming those barriers, as identified by City and Toronto Hydro staff.

Barrier	Impact of Barrier	Action Needed
Many municipal/provincial/federal policy, funding and educational programs overlap and compete. Gaps in programming may also exist.	Confusion among potential program participants.	Establish a co-ordinating body involving City, province and other key players to jointly develop policy and deliver programs.
Ontario Building Code restricts City's ability to set energy efficiency standards for new buildings.	City unable to require energy standards through the Green Development Standard for new buildings.	Seek authority under the City of Toronto Act to increase minimum efficiency standards for new buildings.
Ontario Energy Board rate policies limit ability for Toronto Hydro to recover in rates costs for conservation programs that may otherwise be funded by the OPA.	Toronto Hydro unable to finance CDM programs from own revenues; also costs borne by Toronto ratepayers alone rather than by ratepayers across the entire province.	Request Ontario Energy Board to consider allowing CDM programs to be funded from the rate base as necessary.
Local Distribution Companies and their unregulated affiliates are prohibited from owning any generation assets unless the OEB determines that such ownership would not negatively impact the competitive generation market.	Toronto Hydro unable to develop renewable energy projects.	Relevant OEB Act amendments should be sought from Provincial government.
Tests used by OEB to calculate program costs are limited by the exclusion of externalities (avoided environmental costs, for	Distortions in marketplace, lead to undervaluing the contribution of conservation and renewable energy vs.	Adopt full life-cycle cost accounting for evaluating CDM and renewables.

example).	traditional generation sources.	
Transmission and distribution constraints.	Create limits on distributed and renewable generation opportunities.	The OPA is evaluating transmission constraints, per Provincial directive. Investments in transmission and distribution infrastructure needed. Increased emphasis on distributed generation needed.
No ratepayer recovery of RESOP project grid connection costs under OEB rules. Toronto Hydro also applies an administration charge to RESOP customers.	Cost of renewables borne by individual applicant rather than system as a whole. Small generators dissuaded from participating fees.	Advocate for appropriate changes through participation in OEB's review of connection cost responsibility.
RESOP price for solar PV set at 42 cents/kWh.	Price is too low to induce investment in solar PV.	Opportunity exists now as the OPA is reviewing the RESOP program from a policy and financial perspective. Solar PV price needs to increase to \$0.80/kWh
No procurement process for offshore wind projects.	Restricts Toronto Hydro's ability to develop wind farm on Lake Ontario.	Advocate for process to be established as part of RESOP review.
Efficiency levels of many energy-using devices (particularly consumer electronic goods) not regulated.	Inefficient appliances, with low upfront but high operating costs, in the marketplace. Growth of plug load and peak loads, requiring new generation.	Federal jurisdiction. Develop specific standards proposals, and approach Natural Resources Canada re: amendments to Energy Efficiency Act to address appliance efficiency standards, including stand-by energy use restrictions.

<p>Lack of coordination between energy and land use planning.</p>	<p>Land use decisions may be made without fully understanding their energy impact.</p>	<p>Joint City-Toronto Hydro staff team should address this barrier; should also identify other barriers and recommend how to address them.</p>
<p>Short planning horizons and shifts in funding priorities affect government and private decision-making.</p>	<p>Uncertainty over continuity of government programming makes it hard for consumers to plan make investment decisions.</p>	<p>Firmer timelines and greater assurances for continuity of energy-related government programs. Promotion of full life cycle costing.</p>