

Request for Council Support for solar rooftop PV under FIT program

Issue / Background:

In 2009, the Province implemented a Feed in Tariff (FIT) program through which the Ontario Power Authority (OPA) can procure electricity generated by renewable technologies under long-term contracts. In October 2011 a review of the FIT program rules was announced. Draft revisions to the rules were released in March 2012.

On July 11, the Minister of Energy issued a directive to the Ontario Power Authority refining the draft rules. The OPA has indicated that the final rules will be posted by the end of July. FIT applications currently in the queue, and new applications, will begin to be processed at that time.

Under the proposed new rules, projects will be prioritized according to the number of "points" they earn. One way in which a project may earn points is through a motion of support from the Council of the municipality in which the project is located. The requirement for Council support addresses concerns from municipalities that under the Green Energy Act renewable energy projects were removed from site plan and zoning and thereby not reviewed by municipalities.

Renewable energy installations are supported by Official Plan policies and recommendations in the Climate Change, Clean Air and Sustainable Energy Action Plan. The Toronto passed its Renewable Energy Bylaw in March 2008, which permits as-of-right use for renewable energy and co-generation devices on every property, subject to zoning regulations. There are now many solar PV installations across Toronto, with few if any, complaints about their presence.

The Toronto Sustainable Energy Strategy approved by Council at its November 2009 meeting has set a goal of 1000 MW of renewable energy to be generated inside the city by 2050. It is anticipated that this would primarily be from roof top solar photovoltaics (PV). Based on employment modelling done by Economic Development and Culture this would create 1,800 manufacturing jobs in Ontario, and 15,000 installation jobs and 400 annual jobs in solar maintenance. The modeling estimates that every 1 MW of PV installed would generator 18 person-years of employment in manufacturing, 15 person-years in installation jobs and 4 person years annually for maintenance.

Key Points:

The proposed rules would allow Councils to indicate their support on a project-by-project basis, or by adopting a blanket support motion on a technology-specific basis (e.g. rooftop solar photovoltaic). The draft blanket support motion prepared by the OPA (attached) clarifies that

the motion'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 Project or any other purpose'.

At the July 11 and 12 meeting of Council there are 7 Notices of Motion in support of 25 different solar rooftop projects from BrightRoof Solar LP. All except for 1 private school are proposed on industrial buildings. Council, at its May 8, 2102 meeting, approved a similar request by the Toronto District School Board to support solar roof top projects on school roofs.

Based on the number of FIT applications currently pending before the Ontario Power Authority, it is possible that Council could receive hundreds of requests for motions of support from solar power developers.

A number of municipalities have adopted blanket support motions for rooftop PV in advance of the approval of the new FIT rules. Notwithstanding this, the OPA has indicated that they will likely honour such motions.

According to the OPA, the window for applications will likely close in early fall, possibly before Council resumes after its summer recess. There is a cap of 200 MW worth of contracts in this application period. There are currently applications in the queue for many times that amount. As a result, there will be a great deal of competition for contracts, and projects that are able to secure early Council approvals will have an advantage in the procurement process over those that do not have municipal approval.

Toronto Hydro, in partnership with the City, has 35 applications for rooftop PV installations pending with the OPA. These would be among those projects placed at a disadvantage if a blanket support motion is not adopted. The projects, which were approved by Council in July 2010, present a solid business case, and will assist the City in meeting its renewable energy and greenhouse gas emission objectives.

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Date: July 12, 2012