

Ministry of Energy

Office of the Minister

4th Floor, Hearst Block
900 Bay Street
Toronto ON M7A 2E1
Tel.: 416-327-6758
Fax: 416-327-6754

Ministère de l'Énergie

Bureau du ministre

4^e étage, édifice Hearst
900, rue Bay
Toronto ON M7A 2E1
Tél. : 416 327-6758
Télééc. : 416 327-6754



JUN 10 2016

MC-2016-802

Ms Linda Heron
Chair
Ontario Rivers Alliance
379 Ronka Road
Worthington ON P0M 3H0

Dear Ms Heron:

Thank you for your letter outlining concerns about waterpower procurement under the Feed-in Tariff (FIT) Program and your request for a meeting to discuss the issues you have raised.

I recognize the effort you have made to clarify specific issues of concern to you and the members of your association. I appreciate the opportunity to respond.

Regarding your concern about the availability of public information on cancelled FIT contracts, while the Ministry of Energy works with the Independent Electricity Operator (IESO) on the overall direction for renewable energy procurement, individual Feed-in Tariff (FIT) program applications are reviewed and evaluated by the IESO, and contract offers are executed and managed by the IESO. The Government of Ontario is not the counterparty to FIT contracts.

Since the launch of the FIT program in 2009, lists of FIT contract offers have been publicly posted. These offers are available at the following link:
<http://fit.powerauthority.on.ca/program-updates/contract-offers>

Also, starting in July 2014, the IESO began to publish a list of all contracts that have been terminated by the IESO. The terminated FIT contract list includes contract terminations initiated by the IESO but not those that were mutually terminated between the developer and the IESO. Detailed information on mutual terminations is not made publicly available by IESO due to confidentiality requirements under the FIT contract. The list can be found at the following link:
<http://fit.powerauthority.on.ca/program-updates/program-reports>

Since the IESO is the FIT program administrator and the counterparty to all FIT contracts, they would be best placed to speak about prior and current reporting on the FIT program, and contract confidentiality obligations. Any questions you may have for IESO can be sent by email to fit.contract@IESO.ca.

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Anyone who is interested in knowing whether a proposed FIT project has a current contract can refer to the "Active FIT Contract" list that you mentioned in your letter. The list is published by the IESO on their website – the most recent version can be found at the following link:

<http://www.powerauthority.on.ca/sites/default/files/contracts/Active-FIT-contracts-2015-09-21.pdf>

With respect to your concerns about new small waterpower projects proposed under FIT 4, the IESO published an update on May 6, 2016 regarding the number of FIT 4 applications that will be proceeding to connection testing. Please see summary on the IESO website: http://fit.powerauthority.on.ca/sites/default/files/FIT4_Application_Summary_Review%20Complete_FINAL.pdf

Details of individual FIT 4 applications are not made available during the application review process. Since, as noted above, the IESO is the FIT program administrator, they would be best placed to speak about their public reporting on the program. The IESO will publish a list of successful FIT 4 contract offers on their website, once these are announced later in the second quarter of 2016.

The IESO has noted that FIT 4 is over-subscribed, and the group of applications moving forward for connection testing is significantly greater than the 241.438 megawatt (MW) target for FIT 4.

With regard to your comments about FIT program pricing, the IESO is required to review the prices offered to generators on an annual basis to ensure they reflect project costs, plus a reasonable rate of return. As part of the 2015 price review, the IESO focused on ensuring ratepayer value.

Your letter also expressed concern about the lack of public consultation under the FIT program. While public consultation prior to contract offer is not a requirement for FIT projects, as it is for the Large Renewable Procurement (LRP) program, projects do have public consultation requirements under the Class Environmental Assessment (Class EA) for waterpower. The Class EA requires any proposed small waterpower projects under the FIT program to conduct environmental studies and public consultation. Like any other renewable energy project, waterpower projects must meet all applicable regulatory requirements before they can begin construction.

Your letter also mentioned concerns about dam decommissioning, and fish passage, as well as outlining your various concerns about the impact of waterpower projects on river systems. These concerns would be best directed to the Ministry of the Environment and Climate Change, and Ministry of Natural Resources and Forestry. I am providing a copy of your correspondence to Minister Murray and Minister Mauro so that they are aware of your concerns.

I appreciate your invitation to meet again. Unfortunately, I am unable to schedule a meeting with you at this time. I suggest my Parliamentary Assistant, Bob Delaney, meet with you on my behalf.

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Please contact Christina Cindric, my Communications Advisor, at 416-325-7747 or Christina.Cindric@ontario.ca to make arrangements. I look forward to hearing about your discussion.

Thank you again and please accept my best wishes.

Sincerely,



Bob Chiarelli
Minister

c: Hon. Glen Murray, Minister of the Environment and Climate Change
Hon. Bill Mauro, Minister of Natural Resources and Forestry
Bob Delaney, Parliamentary Assistant, Ministry of Energy
Christina Cindric, Communications Advisor, Minister's Office
Matt Whittington, Senior Policy Advisor, Renewable Energy, Minister's Office