



**ONTARIO  
RIVERS  
ALLIANCE**

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The Honourable Bob Chiarelli  
Minister of Energy  
Hearst Block, 4<sup>th</sup> Floor  
900 Bay Street  
Toronto, ON  
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Dear Minister Chiarelli:

**Re: Meeting Request**

I am writing on behalf of the Ontario Rivers Alliance (ORA) as a follow-up to our meeting in October of 2013, when we discussed our concerns regarding the large number of waterpower proposals that were moving through the approvals process under the Feed-in-Tariff (FIT) program, and your expression of an interest in working with ORA.

ORA is requesting a meeting to discuss our concern over the number of new waterpower applications under FIT 4, as well as a lack of transparency surrounding the waterpower FIT Contracts that have been withdrawn or terminated.

**Cancelled Waterpower FIT Contracts**

When we met in 2013, the Ministry of Environment had rejected three of Xeneca Power Development Inc.'s (Xeneca) Environmental Reports (ER), one was officially rejected and two voluntarily withdrawn by the proponent, because they did not meet the requirements of the Class EA for Waterpower. In July of 2015, the Ministry of Environment and Climate Change (MOECC) rejected another of Xeneca's ERs for the same reason, and the company has been awaiting decisions on three remaining ERs since 2014. Xeneca has not successfully navigated the Environmental Assessment process to date, and has not fulfilled their commitments for even one of their 19 FIT Contracts. ORA also filed Part II Order requests on two other ERs by different proponents, that we have been awaiting MOECC decisions on since 2013.

The reason for these long and perilous processes is that waterpower has very complex considerations, and can result in a multitude of negative impacts to communities and riverine ecosystems if not properly mitigated. The generous incentives offered to produce power during peak demand hours encourage waterpower developers to maximize power generation at the expense of the riverine ecosystem. Consequently, there has been a strong opposition and pushback from local communities.



On 31 March 2015, Mark Holmes, CEO of Xeneca, informed ORA and other stakeholders that the company was in the process of restructuring, and would be cancelling some of its FIT Contracts. Unfortunately, there was no indication of which sites would be cancelled.

ORA has been in contact with the IESO and requested a list of terminated waterpower FIT Contracts; however, we were informed that a list was not available. Instead we were directed to a list of active FIT Contracts. None of Xeneca's projects were on this list; however, that does not mean the FIT contracts were terminated. ORA has had to resort to a Freedom of Information Application to the IESO for a list of cancelled and/or terminated waterpower FIT Contracts. It is puzzling that a list of cancelled solar and wind FIT Contracts is available on the IESO website, and yet waterpower is considered proprietary.

ORA is specifically requesting confirmation of which of Xeneca's FIT contracts have been withdrawn and/or terminated. This information should be readily available to the public in an open and transparent government.

### **NEW FIT 4 Waterpower Applications**

The IESO recently opened the application process under FIT 4, and a report on their website indicates that there are 40 waterpower applications with an Installed Capacity (IC) of under 500 kWh, with a total net output of 13 MW/IC. How many rivers would these 40 applications impact on to generate 13 MW/IC? Considering the efficiency of waterpower, they would more realistically generate a net output of anywhere from 2 to 5 MW?

Realistically, these very small waterpower developments would produce intermittent and unreliable power, and would not contribute in any meaningful way to the power grid, but instead represent death by a thousand cuts to many Ontario rivers. When demand is at its height during the hot summer months, and in late winter when temperatures require higher power output, these types of small waterpower facilities are shut down due to low flows. Even true run-of-river dams can fragment habitat, chop up fish, and impede flow and vital nutrients to the downstream.

Ontario Waterpower Association claims that these new applications are primarily retrofits; however, only through local contact are we aware of at least 3 applications that would be new developments. Even a retrofit would be issued a 40-year FIT Contract, which would result in a fragmented riverine ecosystem, that would be unnecessarily degraded for many decades.

Unfortunately, a list of Ontario FIT applications is not available to the public. The only information available is for the total number of applications for the different renewable energy sectors. Again, this government ran on a platform of an open and transparent way forward, and yet this information is not available.

Additionally, unlike the Large Renewable Procurement process, applicants are not required to consult with the public, and have already approached the municipality and received endorsement without the public having had any knowledge of the proposal, or opportunity for input. Public consultation must be an essential requirement in FIT policy so that there is an opportunity for healthy discussion and input from the public before an application goes to Council for endorsement, or a FIT contract offered.

It is not surprising that there is such a gold rush mentality with the generous increase in prices paid for these small hydroelectric facilities. The price paid to waterpower generators under FIT



has almost doubled from the 13.1 cents/kWh paid in 2012, to 24.6 cents/kWh in 2016, unlike wind and solar where prices have continued to fall.

### **Conclusion:**

Whether large or small, hydroelectric proposals generate huge public and stakeholder pushback, and for good reason, as they can severely impact on communities, recreation, fisheries, drinking water, and livelihood – and power procurement contracts are for a term of 40 years.

The primary justification for waterpower’s “clean” contribution to the grid is its ability to store water to produce power during peak demand; however, these types of facilities are extremely harmful to the upstream and downstream riverine ecosystem, and are far from clean or green.

Undoubtedly there will be a much more civilized, clean, and environmentally sustainable form of power generation and storage available within the next 10 years. Battery storage technologies are in the midst of a paradigm shift, and will soon allow solar and wind to be much bigger players in the green energy mix. The new Dunes Solar Energy Plant located in California, uses a molten salt receiver technology to generate power 24/7, and is capable of generating 110 MW.

This is all great news; however, 40 year contracts for hydroelectric projects are not required to provide up-front dam decommissioning provisions or fish passage, and that leaves the taxpayer on the hook to pay for dams to be removed, and riverine ecosystems restored.

At our 2013 meeting, we presented you with a document that reported on the impacts of hydroelectric. That document has now grown into an evidence-based report entitled *Hydro Impacts 101: The Trade-offs* – available for download [here](#).

ORA is requesting a meeting at your earliest convenience to discuss our concerns and to explore a cleaner and greener way forward.

I look forward to your response.

Respectfully,

Linda Heron  
Chair, Ontario Rivers Alliance  
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