

Ministry of Energy

Office of the Minister

4th Floor, Hearst Block
900 Bay Street
Toronto ON M7A 2E1
Tél.: 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



Sessional Paper No. P-75

Petition supporting the Ensuring Affordable Energy Act (Sessional Paper No. P-75),
Mr. McDonell (Tabled September 19, 2013).

Through the Green Energy Act (GEA), Ontario has established a new, clean economy and created a new generation of clean jobs, while protecting our environment.

The Ontario Government's Speech From the Throne was clear that going forward, communities must be more involved in decisions and have a voice in their future and a say in their integrated, regional development. We have made progress already.

FIT Program

As part of the Feed-In Tariff (FIT) review, FIT program rules were updated so that proponents with the support of local communities and Aboriginal communities get priority. These changes encourage applicants to work closely with municipalities and Aboriginal communities to build broader support in the community. I'm pleased to say that of the first round of these new Small FIT contracts offered by the Ontario Power Authority (OPA), over 98% are for projects that have municipal council support resolutions.

In addition to encouraging support from local communities and Aboriginal communities, under FIT 3, priority points also provide a means of prioritizing projects that have significant participation from municipalities, public sector entities, co-operatives, and Aboriginal communities.

We recognized we could do even more. We're making important changes to strengthen municipal engagement in the siting of future renewable energy projects.

Working with the OPA and municipalities, the province is developing a new competitive procurement process for large renewable energy projects over 500 kilowatts (kW). The new process will replace the existing large project stream of the FIT program and better meet the needs of communities. It will require energy planners and developers to work directly with municipalities and engage with and consider

input from Aboriginal communities to identify appropriate locations and site requirements for any future large renewable energy project.

We will continue to honour existing contracts and going forward, we will work with partners, municipalities and Aboriginal communities across the province to develop renewable sources of energy in a way that ensures stronger community involvement, while ensuring that our approach is balanced and considers the long-term sustainability of Ontario's electricity system.

The OPA provided the Minister of Energy with interim recommendations on a new large renewable competitive procurement process on August 30th.

The OPA will be undertaking additional engagement activities on the interim recommendations in the fall to further inform the development of the new competitive procurement process and will also incorporate the feedback that is being received by the Ministry of Energy as part of the Long-Term Energy Plan (LTEP) review.

The OPA and the Ministry of Energy welcome further input from the public and stakeholder community as we work with Ministries and agencies on development of the new competitive procurement process.

The Ministry of Energy expects to move forward and announce details on the competitive procurement process later this Fall.

Municipal Involvement

To further strengthen municipal participation and support communities, Ontario has revised the Small FIT program rules, which has included setting aside part of the annual procurement target for projects partnered or led by municipalities and giving these projects priority.

In addition, Ontario will:

- Work with municipalities to determine a property tax assessment rate increase for wind turbine towers; and
- Provide funding to help small and medium-sized municipalities develop Municipal Energy Plans - which will focus on increasing conservation and helping to identify the best energy infrastructure options for a community.

In addition, the Independent Electricity System Operator (IESO) and the OPA have provided recommendations to help improve the way we involve communities, plan and site future large energy infrastructure projects. Also, the Premier and Minister of Energy have committed to implementing all of the recommendations. Improving our regional energy planning processes will help ensure we plan for growth and long-term reliability that meets the diverse needs of our different regions.

Affordability

We have been clear that there are costs associated with making the critical investments needed in order to maintain a clean, modern and reliable energy system. Ontario has programs in place to help residential and business consumers address the cost for their electricity.

The Ontario Clean Energy Benefit (OCEB) is helping families, small businesses, and farms manage rising electricity prices. The OCEB provides a benefit equal to ten per cent of the total cost of electricity on eligible consumers' bills, including tax, limited to the first 3,000 kilowatt hours of electricity consumed each month until the end of 2015. Typical residential consumers will receive an average annual benefit of \$175.

Through the Ontario Trillium Benefit, we are also providing support for energy costs in the form of tax credits for qualifying families, individuals, and seniors. The Ontario Energy and Property Tax Credit helps low-to moderate-income families and seniors who own or rent a home with both their energy costs and property tax. This tax credit provides qualifying families and individuals, including seniors, up to \$214 in relief for the sales tax on energy.

The Northern Ontario Energy Credit is a permanent measure that provides assistance to qualifying individuals and families living in Northern Ontario, who can be exposed to higher energy costs due to more severe winters and heavier reliance on more expensive home heating. This tax credit provides \$139 per annum for qualifying individuals and \$214 per annum for qualifying families living in the North.

For all consumers, conserving electricity is the best and easiest way to reduce electricity bills, which is why we're continuing to provide families and businesses with tools and rebates to conserve energy and save money.

Protecting the Environment

The government is committed to developing renewable sources of energy in a way that both engages and protects local communities and protects the environment.

Large-scale wind energy projects in Ontario are subject to the Renewable Energy Approval (REA) Regulation and related regulations and approvals, which include minimum setbacks for wind energy projects, environmental studies and public and Aboriginal community consultation requirements.

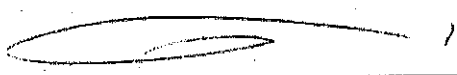
The REA process requires renewable energy project applicants to carry out a variety of studies assessing the environmental impacts of their projects, including any potential negative effects on birds and bats and their habitats. If the mandatory requirements of the REA regulation are not met, a Renewable Energy Approval will not be issued and the project will not proceed.

Additional steps are required for development on provincially significant land, such as the Oak Ridges Moraine & Niagara Escarpment. Specifically, the REA regulation incorporates risk-based rules and requirements to protect provincially significant natural features and water bodies.

We have taken a cautious approach when setting standards for wind setbacks and noise limits to protect Ontarians. Developers must demonstrate that projects will meet the government's 40 decibel noise guideline - the sound in a library - to protect the surrounding community. The World Health Organization says this level is protective of human health.

The Ministry of the Environment continues to review emerging scientific and engineering studies to ensure Ontario's REA regulation remains in line with the latest and best in science. The Ministry is aware of the Federal Government's study regarding wind turbine noise and health announced by Health Canada and is supportive of all initiatives which further scientific research in this important area.

As part of our review of the LTEP, we are carefully considering our energy supply mix to ensure it is clean, sustainable and cost-effective. Proposed improvements to regional energy planning processes will support implementation of the LTEP over time and will inform future reviews. We remain committed to working with our partners across the province to develop renewable sources of energy in a way that continues to protect local communities and to ensure stronger community involvement in large energy infrastructure development.



The Honourable Bob Chiarelli
Minister