

COUNCIL OCTOBER 29, 2013

REVISED FEED IN TARIFF (FIT 3.0) PROGRAM ONTARIO POWER AUTHORITY

Recommendation

The Commissioner of Planning and the Director of Building Standards, in consultation with the Manager of Environmental Sustainability and the Commissioner of Strategic and Corporate Services recommend:

1. That Council endorse the attached revised FIT Version 3.0 resolution; and
2. That the Mayor and City Clerk be authorized to sign the revised resolution.

Contribution to Sustainability

This report recommending endorsement of the FIT program which promotes local small scale energy production through renewable energy projects including rooftop solar installations is consistent with the priorities previously set out by Council in Green Directions Vaughan regarding the Community Sustainability and Environmental Plan:

- Goal 1, Action 1.2.1: Demonstrate support for renewable energy use and generation by businesses and citizens by minimizing, where appropriate, obstacles to the development of alternative energy sources.

Economic Impact

There is no direct economic impact to the Municipality resulting from the recommendations of this report.

Communications Plan

A communication plan is not required as the FIT program is administered by the Ontario Power Authority ("OPA"). Information about renewable energy generators in the City of Vaughan will be posted on the Environmental Sustainability area of the City website.

Purpose

The purpose of this report is to request that Council provide staff the authorization to administer Council's Resolution based on the revised FIT 3.0 program's forms and procedures.

Background - Analysis and Options

Earlier this year on June 12, 2013 the Honorable Bob Chiarelli, Minister of Energy directed the Ontario Power Authority (OPA) to make changes to the FIT Program and develop a new competitive procurement process that considers input from all stakeholders. The final application documents (FIT Version 3.0) were not made available on the OPA's Website until October 9 2013. On October 17, 2013 Staff attended a Webinar conducted by the OPA that outlined changes to the program. The following is a report from Staff respecting the relevant changes.

In 2009 the *Green Energy and Green Economy Act* came into force. The Act effectively provides for the implementation of renewable energy projects despite any restrictions imposed by law including a municipal by-law, a condominium by-law or any encumbrances on real property or an agreement. In essence, municipalities lack the authority to deny an applicant the ability to put in place a renewable energy project that complies with the *Green Energy Act*.

On June 26, 2012 Council approved a resolution for rooftop solar projects under the Ontario Power Authority (OPA) FIT 2.1 (Feed-In Tariff) program. The resolution approved by Council, was based on templates posted by the Ontario Power Authority (OPA) at that time. The OPA has now revised the municipal support resolution templates under FIT Version 3.0. These changes require Councils further consideration. Furthermore, the former City resolution contained what now constitutes conditions that are different than those under the FIT Version 3.0 application so a new Council resolution is required.

In early 2013, the City of Vaughan provided 116 municipal support resolutions to FIT 2.1 Program participants during the last application window in order for their project(s) to gain priority points. Each project was required to have at least one whole priority point in order to be eligible to participate in the FIT program. The Ontario Power Authority (OPA) considered projects with more priority points to be screened for available capacity first, provided that contract capacity and procurement targets were available. Thirty four projects totaling over 4500 kW were approved by the OPA within the City of Vaughan on July 3, 2013.

As with the previous FIT application process, the OPA is continuing to provide municipalities an opportunity to influence renewable energy projects. Municipalities may provide support through either a blanket support resolution or an individual/specific support resolution. The former provides support for the specified renewable energy project anywhere in the municipality while the latter provides support for projects proposed for a specific location in the municipality. The latter requires individual Council support resolutions for each project. The resolution'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 seeking or qualifying for any other form of municipal approval.

In FIT Version 3.0, municipalities will now be eligible for priority points in the application process. In addition, projects partnered or led by municipalities will be eligible for set asides under the annual renewable energy procurement target initiated by the OPA. Under the updated program seven projects on City of Vaughan facilities which were proposed by PowerStream in the previous application process are more likely to receive approval under the new FIT framework.

Under FIT 3.0, for a Municipal or Public Sector project to claim Priority Points where the Local Municipality has economic interest, the project is ineligible to receive priority points unless it is categorized as a type of project addressed through a Municipal Council Blanket Support Resolution. This measure was imposed to create a level playing field for all competitors within the municipality.

The OPA has recently announced a limited application window from November. 4, 2013 to December 13, 2013. Staff have again received a number of requests for Council to pass a resolution in support of their projects in the City.

Staff are recommending that Council endorse the attached FIT 3.0 Municipal Council Blanket Support Resolution for all rooftop solar generation installations within the City. Staff continue to recommend that all other system types such as wind generation or ground mount solar installations should be reviewed on a site by site basis thus requiring individual site specific Municipal Council Support Resolutions approved by Council. A similar approach has been adopted by many local municipalities such as the City of Toronto, Burlington, Kingston and others. Under the FIT Version 3.0 rules the blanket support resolution expires after one year.

In order to process requests for Council's support resolutions Staff will continue to require the following information:

- 1) Project Owner/Applicant name, contact email and phone number
- 2) Project Location
- 3) Building Type and Project Size

Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

Regional Implications

Not applicable.

Conclusion

The OPA has recently announced a limited application window for FIT 3.0 projects from November. 4, 2013 to December 13, 2013.

Staff are recommending that Council endorse the attached FIT Version 3.0 Municipal Council Blanket Support Resolution for all rooftop solar generation installations within the City. Staff continue to recommend that all other system types such as wind generation or ground mount solar installations should be reviewed on a site by site basis and requiring individual Municipal Council Support Resolutions approved by Council.

The applicants should be aware that the council resolution does not in itself provide for these installations and that building permits must be processed through the City of Vaughan Building Standards Department prior to commencement of any works.

Attachments

1. Municipal Council Blanket Support Resolution – Prescribed Form – FIT Version 3.0

Report prepared by:

John Studdy, Manager of Customer and Administrative Services, ext. 8232

Respectfully submitted,

JOHN MACKENZIE
Commissioner of Planning

LEO GRELLETTE
Director of Building Standards



Attachment 1

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TEMPLATE: MUNICIPAL COUNCIL BLANKET SUPPORT RESOLUTION

(Section 5.1(g)(i) of the FIT Rules, Version 3.0)

OPARP/f-FIT-011r2

Resolution NO: _____ N/A _____ Date: _____ (Insert Council Approval Date) _____

[WHEREAS] capitalized terms not defined herein have the meanings ascribed to them in the FIT Rules, Version 3.0.

[AND WHEREAS] the Province's FIT Program encourages the construction and operation of

_____ Rooftop Solar _____ generation projects (the "Projects");

[AND WHEREAS] one or more Projects may be constructed and operated in _____ City of Vaughan _____;

[AND WHEREAS], pursuant to the FIT Rules, Version 3.0, Applications whose Projects receive the formal support of Local Municipalities will be awarded Priority Points, which may result in these Applicants being offered a FIT Contract prior to other Persons applying for FIT Contracts;

[NOW THEREFORE BE IT RESOLVED THAT]:

Council of the _____ City of Vaughan _____ supports the
construction and operation of the Projects anywhere in _____ City of Vaughan _____.

This resolution's sole purpose is to enable the participants in the FIT Program 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 Projects or any other purpose.

This resolution shall expire twelve (12) months after its adoption by Council.

Title:
Mayor

Title:
Clerk

(signature lines for elected representatives.)

FIT reference number: _____

(The reference number must be inserted by the Applicant in order for the resolution to comply with the FIT rules, even where Local Municipal letterhead is used. This is not to be inserted by the Local Municipality.)