



Federation of Community Power Co-operatives



Attention:

Honourable Glenn Thibeault  
Minister of Energy  
gthibeault.mpp.co@liberal.ola.org

Tuesday, July 12, 2016

**RE: LRP II and LTEP recommendations to support participation of Ontario citizens and community groups in Ontario's low carbon transition**

Dear Minister Thibeault:

We congratulate you on your appointment as Minister of Energy. The Federation of Community Power Co-operatives (FCPC) and the Ontario Sustainable Energy Association (OSEA) are two member-based organizations that champion the participation of local residents in the development of sustainable energy projects. We are contacting you today to address the importance of community participation in the development of a sustainable, low-carbon, decentralized energy system. We look forward to working with you and your Ministry on further advancing the role of communities.

As you know the IESO has recently opened consultations on the Request for Qualifications for the second round of its Large Renewable Procurement program LRP II. We are pleased to attach our submission to the IESO recommending that renewable energy co-operatives participate in LRP II by including Community Participation Projects similar to Aboriginal Participation Projects included in LRP I. We consider this a short-term solution for LRP, while advocating for sustained support for community power through the Feed-In tariff program (outlined below).

Renewable energy co-operatives in Ontario have demonstrated through their participation in the FIT Programs that they have the financial and business capability to successfully own and operate large numbers of renewable power projects up to 500 kW. Many are now ready to finance much larger projects. We have attached a new report from TREC entitled "*The Power of Community*" which details these abilities and clearly shows the superior economic and social benefits of community-owned energy projects.

While participation in the LRP II procurement process is an important step for community power in Ontario we also see the need for the development of a long-term comprehensive strategy to procure renewable power from community sources. In April of this year, a group of OSEA municipal members met with Deputy Minister Serge Imbrogno and staff members of the Ministry of Energy to talk about the important role of community participation in future renewable energy procurement in the province.



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Following our meeting, we sent a letter to the Deputy Minister, outlining the main points and recommendations that were discussed, most of which you see also included below. In the long term it is the smaller projects less than 20 MW that will form the backbone of a new renewable energy based economy, and this is where community ownership is at its best. Within a decade, renewable power projects of all sizes will be cost competitive with conventional sources.

Adding to those conversations, we would like to point out that the FIT program model works for community power and we urge you to consider keeping the FIT program for community project development as you are looking at updating of the Long-term Energy Plan.

In summary our recommendations for this long-term strategy are as follows:

1. Maintain the FIT program for qualified community organizations including co-ops, First Nations, Métis Nations and municipal entities (MUSH sector)
2. Raise the capacity cap for FIT projects to 1 MW to allow proponents to achieve better economies of scale, thus allowing the FIT prices to continue to decrease
3. Introduce a FIT for community wind up to 20 MW to allow community groups to lead projects
4. Provide provincial loan guarantees for co-op and other non-profit projects, an extremely low-cost way to support green energy development and allow labour-sponsored funds to invest in community projects
5. Expand the definition of Renewable energy co-ops under the Co-op corporations Act to enable these groups pursue other business models that will support Ontario's low carbon transition
6. Support sector coordination and capacity building so we can consolidate our expertise and export it to other provinces just getting started with the transition to green energy

It is not too early to start work on this process and we would be pleased to meet with you and your staff at your convenience to propose and discuss options, and the legislative and market rules that may need to be reformed.

Sincerely,

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Judith Lipp, PhD  
President  
Federation of Community Power Co-operatives

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Nicole Risse  
Interim Executive Director  
Ontario Sustainable Energy Association



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Cc:

Adam Butterfield, IESO

FCPC Board

OSEA Membership

OSEA Board