

An Update on the Feed-in Tariff Program

By

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To

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CHECK AGAINST DELIVERY

Good morning, ladies and gentlemen. It's a pleasure to be here with you today.

I hope that today's information session will provide a useful update for you on the opportunities available to your communities under the Feed-in Tariff Program. Economic development officers play a fundamental role in expanding the prosperity of First Nations communities, and we want to give you the best information to help you in capturing the benefits of renewable power.

In the course of the day, we will provide an overview of the Aboriginal Energy Partnerships Program and the Feed-in Tariff Program. As well, you will be hearing about the various technologies that are available for development under FIT. This includes solar power, wind power, waterpower, biomass and biogas.

.And I understand that industry association representatives will be available for direct conversations as well, as the day progresses.

But before you hear from others in detail, I would like to sketch the broad outlines of the FIT and microFIT programs and also the status of the AEPP.

Many of you came to our offices last July and gave us valuable advice about how to spread the word about FIT and microFIT.

Clearly, something has gone right because First Nations and Métis have joined others in Ontario in embracing the idea of clean, renewable power.

We are extraordinarily happy about the reception that the program has received. Since it was launched on Oct. 1, we have received nearly 2,200 applications representing about 8,000 MW of applications. This includes about 1,200 for the microFIT Program for projects of 10 kilowatts or less. About 700 of those applications have already been approved.

And I'm very pleased to say that we have received 43 applications that have First Nations communities' equity participation and would be eligible for the aboriginal price adder. This represents more than 1,100 megawatts of renewable energy from the sun, the wind, the rivers and biomass. And we know there are more applications to come.

The map we produced showing these applications is very impressive. From Beardmore in the north to Wallaceburg in the south, Ontario is dotted with potential aboriginal FIT projects.

Indeed, the number of proposals we've received from aboriginal communities and from other developers is far greater than we had expected. That is a very pleasant surprise but it also represents a challenge.

Not all of the applications from private developers will get a contract. Not all of the applications involving aboriginal communities will get a contract. Some applicants will not have met the obligations necessary for completing an application such as posting security.

Other projects will not get a contract at this time because there is not yet room in their area to accommodate them on the transmission system.

In a perfect world, of course, all the financially sound applications would proceed without delay. But, alas, we don't live in that world. We live in one where our transmission system must undergo a significant expansion to accommodate the new renewable generation that can be developed, and it takes time to build transmission lines.

Clearly, some projects are going to get the green light ahead of others. But there's lots of hope even for those that don't make it into the first round of contracts because the province is embarking on a large transmission build-out.

At present, there is just 2,500 megawatts of available transmission capacity. The government has announced a plan to invest \$2.3 billion into building out the provincial transmission system. And Hydro One has been asked to begin development work on 20 potential transmission projects that would enhance the ability of developers to connect to the grid.

You may already be aware that the Bruce-to-Milton line has just received its environmental approval. This line would unlock approximately 1,500 MW of additional connection capacity, bringing our total available to about 4,000 MW.

The immediate challenge is to get moving on those projects that can fit into the transmission system as it is now. And then we will have to choose which projects to push ahead that will justify the expansion that Hydro One has been asked to undertake.

The harsh truth is that not every project is going to go ahead immediately. Some may never proceed because they are just not feasible.

This may prove frustrating for some of you but I know you will understand that not everything can be accomplished overnight. The precious resources of Mother Earth – the sun, wind and water – are eternal – and you and your communities have always taken the long view.

As the debate about climate change intensifies, we know more clearly than ever that we do not inherit the world from our ancestors. We borrow it from our children, and our duty is to pass it along to them in pristine condition.

In seeking to use renewable energy resources, we are building for seven generations and beyond. Not every project that is envisioned will get done this year or next year.

But projects that are important to First Nations are moving forward. The north-south line from Sudbury to Barrie is planned on the expectation that there will be projects in the north.

The idea all along has been that transmission and FIT would feed each other. On the way forward, one informs the other. We need people to continue to advocate for their projects even if they are not going to win immediate approval.

The other important message to take away from today's gathering is that while opportunities for your communities might be delayed, they are certainly not lost. And while you are waiting for the build-out of the transmission system, I want to encourage you to consider taking advantage of our microFIT Program.

The advantage of this program, which takes projects up to 10 kilowatts, is that there is an automatic right of connection if your community is connected to the grid now. You would not have to consider transmission capacity issues.

It is also a great way for your communities to get involved with a minimal expenditure of money. You could continue to benefit from the same generous prices for renewable energy with secure, long-term contracts, and you could use this small-scale exercise as a way of building up your capacity to take on a much-larger project as transmission availability allows it.

Of course, the soft costs of both FIT and microFIT projects can receive support from the Aboriginal Energy Partnership Program. The full details of this program will be announced shortly – expect within the next couple of months.

I know that many of you are eager to see the AEPP get off the ground. We have been working hard on the development of the program since we received the Minister of Energy and Infrastructure's directive in late September.

We have also been spending a lot of time to ensure that the advisory committee for the program is well founded. We did not want to launch AEPP without the commitment to an effective advisory committee that can reflect the views of aboriginal peoples.

In this regard, I want to tell you that I think we will have our members shortly and that we expect the committee to be up and running before the end of February.

A functioning advisory committee will be another step in building the capacity – both at the Power Authority and among First Nations communities – in the past 18 months. We've come a long way together in that time. And I want to assure you that we will be working with your communities in the future.

The FIT and microFIT programs will be around for a long time. So don't lose heart if your community's project doesn't make the cut this time around because it can't get

access to scarce transmission capacity. As I said, that capacity will be coming in the not-too-distant future.

I know there are people in this room and elsewhere who ask: why did Samsung, a South Korean company, get a set-aside of 500 megawatts when Ontario First Nations did not?

The simple answer is that the Government of Ontario believes the arrival of Samsung is significant in the development of a green economy that is going to be developed in this province in the next generation.

Everybody wants to eliminate coal as a power source, and many want to minimize reliance on nuclear. So in the interest of all Ontarians, the government has moved to provide an anchor enterprise that will provide Ontario-made wind turbines and solar panels and whose \$7 billion in investment will help to create 16,000 jobs.

The government believes that the scale of development of generation and the investment in Ontario manufacturing that Samsung is bringing to the table more than justifies the inducements the company were provided.

Samsung is open for business as its recent deal with Six Nations shows. First Nations have an opportunity to teach a new investor in Ontario what Ontario's history and opportunity is all about. First Nations can benefit from such arrangements. The economic opportunities for your communities will not disappear while you develop your project and get it ready to proceed.

That's because for many parts of Ontario – those that have been hard hit by the decline in the forestry and mining sectors – electricity generation is the best game in town.

The FIT Program is here to stay. So stay tuned – and turn on.

Thanks for your time and attention.