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Ontario Introduces Green Energy Legislation: Feed-in Tariffs and Aboriginal Incentives

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Valerie Helbronner discusses two key aspects of Ontario's proposed *Green Energy and Green Economy Act, 2009*: feed-in tariffs and aboriginal incentives.



Edited transcript

Feed-in Tariffs

[The *Green Energy and Green Economy Act, 2009*] (the Act) has a feed-in tariff program, which has been a much-anticipated aspect of the Act and something that various different entities were lobbying for, including the industry associations and the environmental non-governmental organizations. What the program does is provide developers of renewable energy projects with a standard set price for any generation that they provide into the electricity system, and it also provides them with a standard contract.

The feed-in tariff program is desirable from a generator's perspective because it's a much more simplified program. It takes away from the need to have requests for proposals, which have generally, in Ontario, been seen to be quite long, cumbersome and expensive processes for renewable generators to go through.

It's expected that most forms of renewable energy generation will in the future be developed under this feed-in tariff program. Again the government has said that it knows where in Ontario the renewable energy resources are, and it has also said that it knows what the prices of them should be. The government had what [it feels] has been a price discovery for those forms of generation through past RFPs and also through the integrated power system plan. So the government's intention is to go through this feed-in tariff route for most of generation.

One of the biggest issues that remains outstanding – and this is an issue with various aspects of the Act – is that a lot of the details need to be worked out so the government is expected to direct the Ontario Power Authority to enter into consultation with developers and industry members alike in the coming weeks to come up with what the actual price will be.

What's expected is that the government is going to go with different prices for different types of renewable energy generation. Under the current standard-offer program, solar receives a higher price than the other forms of generation and it's expected that that will continue to be the case.

What's not known for sure is whether or not, within an individual technology, there will be different price bands. For example, wind – would there be a higher price paid for wind in a certain part of the province? Some people have been encouraging that, other people are sort of against it, so we'll have to see how that plays out.

Another thing that the Act does in terms of the feed-in tariff program is that it provides the Minister [of Energy and Infrastructure] with the ability to direct the Ontario Power Authority to have local content rules, which, in particular, are aimed at trying to get some manufacturing in Ontario for the development of renewable energy projects as they have done in Quebec.

Aboriginal Incentives

Another thing that the Act does is provide the Minister with the ability to have the Ontario Power Authority outline procedures for aboriginal consultation.

The Act not only encourages aboriginal participation by consulting with [aboriginal people], but also tries to encourage aboriginal entities – whether it's First Nations or First Nations-owned entities – to become developers themselves. The funding program is directed – or, at least, it's anticipated that it's going to be directed – at providing First Nations with some resources at the front end to engage and participate in the early stages of development, and where they go with that is up to them.

The reason the aboriginal piece [of the Act] is so important is that, legally and politically, aboriginal participation has taken on great significance in all infrastructure projects, including energy projects. There's jurisprudence in terms of the responsibility of government to consult and accommodate aboriginal people when a project is going to affect their traditional and aboriginal rights. Also, politically, it's becoming more of an issue to ensure that aboriginal people are engaged. More and more, it's seen that ensuring that local aboriginal people are at least involved in a process is fundamental to ensure that a development actually occurs. **1**