

# Torys' Video Podcast Series

March 2009

## Ontario Introduces Green Energy Legislation: Project Finance and Project Development

By [Jonathan Weisz](#)

Jonathan Weisz discusses how the proposed *Green Energy and Green Economy Act, 2009* will affect project finance and project development.

### Edited transcript

The province of Ontario has just introduced its new *Green Energy Act*. It's been long anticipated by a lot of people in the industry, and the hope is that it will play an important role in the development of new energy infrastructure and help the province generally through the interesting times we're now in.

The question of how the *Green Energy Act* [the Act] is going to impact project finance and project development is still to be seen. The Act itself is, in many ways, a framework for new developments. A lot of the decisions are going to be made by way of regulation, so the details are still to come out. It is important to note that some of that framework, including the feed-in tariff and the changes related to streamlining regulations, is going to be very important and [it will be] very important to watch and see how that will develop. There is a process in place in the province now, but developing this out and making it more economic for industry players will be very important to help in allowing them to finance their projects. However, the Act does not directly deal with the economic impact of the liquidity crisis in the market right now. It is expected that the upcoming provincial budget will deal with that issue and that's probably a better place for that to be dealt with — things like green energy bonds or some type of government guarantee for project credit support would certainly be welcome in the present environment.

Given some of the uncertainty in the Act as it now stands, it'll be important for industry players to come forth and speak with the government and provide input so that the various regulations that come out do reflect the best scenario for the province and the best opportunities for developers to be heard and have their interests considered as regulations come forward. It'll be interesting to see how that helps in the development of renewable energy projects in the months and years ahead. **1**