

# Green Energy and Green Economy Act

Changes to Ontario's Electricity Sector



# What the GEGEA represents

- Ontario's Legislature passed the Act on May 14, 2009.
- Intended to attract new investment, create new green economy jobs and better protect the environment
- Amends 15 statutes, including OEB Act & Electricity Act
- Ushers in new era of facilitating renewable energy projects and mandating a culture of conservation
- Aims to stimulate economy creating “green collar” jobs – an economic stimulus plan – not an energy plan
- Increases direct government involvement in energy policy and regulation

# Implications for the Electricity Sector

Broad reaching impacts on:

- Ontario Energy Board
- Ontario Power Authority
- IESO
- Generators
- Transmitters
- Local Distribution Companies
- Consumers

# Ontario Energy Board (OEB)

- Changes to the OEB objects to promote conservation, promote renewables, facilitate smart grid, and expansion of transmission and distribution lines
- Extends OEB rate making authority (beyond transmission, distribution and retailing) to conservation and generation activities
- Requires OEB to implement Ministerial directives on conservation, Demand Management targets, Smart Grid and connection of renewables to transmission and distribution systems
- Allows for some distributor costs to support renewables to be spread over provincial rate base

# Ontario Power Authority (OPA)

- OPA to continue to fulfill Ministerial directives for procurement of supply, capacity or demand reduction
- Establishes Feed-in Tariff (FIT) – European design, being developed by OPA (in consultation with others, including IESO)
- FIT - includes rules, standard contracts and pricing by fuel type, size (MW) and how implemented (e.g. rooftop solar), and will have domestic content requirement



# OPA - Conservation

- Dismantles OPA's Conservation Bureau – Ministry of Energy and Infrastructure to oversee conservation
- Requires Environmental Commissioner to review and table annual conservation report
- OPA will still operate province wide conservation programs, and Minister can direct distributors to participate

- Extends IESO authority to make rules and direct operation of sources connected to distribution system – extending reach of IESO to ensure reliability
- Sets, by regulation, timelines for System Impact Assessments
- Requires IESO to settle conservation/renewables programs (as a pass through)
- Requires IESO to Publish transmission system capacity information

# Renewable Generators

- Eligible for the FIT program
- Provides generators a “right to connect” to distribution and transmission system
- Gives priority access to transmission and distribution system – no “queuing”
- Creates Renewable Energy Facilitation Office (REFO) within Ministry of Energy and Infrastructure to ease generators through approval processes



# Transmitters

- Allows Minister to direct transmission reinforcements to accommodate renewables, and gives priority access to connect (“right to connect”)
- Requires transmitters to provide connection information to accommodate renewables
- Requires transmitters (& distributors) to file, with OEB, “Expansion Plans” for accommodating renewables.
- Also to file Smart Grid integration and implementation plan and make investments in Smart Grid

# Local Distribution Companies (LDCs) and Municipalities

- Must provide connection information to accommodate renewables, and imposes connection timelines on distributors
- May continue to provide conservation programs but may be required to meet targets set by the Minister
- May own small (<10 MW) renewables and energy storage facilities
- Requires participation in Smart Grid development and implementation

- Imposes energy efficiency standards for appliances & products
- Constrains sale of non-qualifying products, with enforcement provisions and penalties
- Requires energy audits prior to sale or lease of real property

# Regulation and Direction

- Much of the foregoing will be implemented through regulation
- Expands authority of Minister (23 Ministerial directive powers), including limiting authority of municipalities and conservation authorities in respect to renewable projects and altering the timelines and hearing processes
- Adds broad regulation making authority