

Amendment to Renewable Energy Approvals Regulation (O.Reg. 359/09)

ERO Number: [013-3800](#)

Posted by: Ministry of the Environment and Climate Change

Comment Period: December 4, 2018 – January 18, 2019

Company Profile:

Headquartered in Chicago, Invenergy is North America's largest independent renewable power generation company. Led by a management team with decades of experience in the energy market, Invenergy's strategic vision focuses on relationships, execution, and sustainability in developing, owning, and operating large-scale energy facilities across the world, including previous developments in the province of Ontario. Invenergy invests in a diverse set of technologies, including wind, solar, natural gas, and storage facilities, and works closely with municipal and state/provincial governments to build utility-scale green energy projects at competitive rates. With an office in Toronto, Ontario, Invenergy is a committed long-term participant, developer, and investor in the Canadian energy market.

Overview:

The amendments to the 359/09 regulation identify additional criteria required for a Renewable Energy Approval (REA), including at least one or more of the following criteria:

- Having an agreement to supply electricity to one or more persons. This would include having a contract with the Independent Electricity System Operator (IESO);
- proposing to generate the electricity for their own use;
- having a net-metering agreement with their local distribution company;
- proposing to sell the electricity generated at market rates in the Independent Electricity System Operator-administered market.

The Renewable Energy Approval regulation (359/09) was originally created to provide uniform guidance and regulation to developers; more specifically, the regulation is designed to prescribe how the natural and built environment must be considered and assessed before a proposed project could move forward. As a result, receiving an REA meant that the Ministry had determined that the project as proposed would not pose a serious threat to human health, and would not cause serious and irreversible impacts to the natural environment. Consideration of the electricity

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system and the requirements of the IESO or other electricity consumers are generally outside of the scope of this regulation.

Recommendation:

We are recommending that the Ministry of the Environment, Conservation and Parks (MECP) defer the determination of system need to entities responsible for system reliability, such as the IESO. MECP officials should not be in the position to determine system need as this is a very technical, multi-faceted question that extends beyond the scope of the Ministry's expertise.

Should MECP nevertheless require evidence of system need, we recommend a simplified mechanism by allowing suppliers to either provide a redacted form of a contract, a net metering agreement, or to certify that they have a bilateral agreement in place. The IESO is currently undergoing a market renewal process to identify system needs and is developing a new electricity market in an effort to encourage competition and reduce electricity costs. With the potential emergence of a competitive energy market in the province, developers should be encouraged to invest in the Ontario generation system. Allowing developers to easily certify system need through a variety of methods can encourage companies to invest in a project to participate in the merchant electricity market; any investment risks would be taken on by the developer alone.

Sincerely,



James J. Murphy
Vice President, Renewable Development