

September 16, 2022

The Honourable Todd Smith
Ministry of Energy
77 Grenville Street
Toronto ON
M7A 2C1

Via email MinisterEnergy@Ontario.ca and uploaded to Ontario's Regulatory Registry and Environmental Registry of Ontario

Dear Minister Smith,

Re: ERO # 019-5816 & Regulatory Registry # 22-ENDM012 Development of a Clean Energy Credit Registry under the Electricity Act

The Ontario Federation of Agriculture (OFA) is the largest general farm organization in Ontario, proudly representing more than 38,000 farm family members across the province. OFA has a strong voice for our members and the agri-food industry on issues, legislation and regulations governed by all levels of government. We are dedicated to ensuring the agri-food sector and rural communities are included, consulted, and considered in any new and changing legislation that impacts the sustainability and growth of our farm businesses.

Ontario's agri-food sector represents a broad range of innovative energy suppliers and consumers established throughout the province. We are pleased to present comments from the perspective of the agricultural sector and Ontario's rural farming communities.

Broaden the Range of Clean Energy Sources

OFA recommends the CEC include all clean, net-zero sources of energy on the list of eligible power generation types. As supporters of agricultural-feedstock production of biogas and conversion to renewable natural gas (RNG), and to be consistent with the proposed CEC treatment of landfill gas, RNG-fed power production should be eligible to generate CECs.

Biogas and biogas refined to RNG are clean energy sources because the biogas system uses feedstocks such as food waste directed away from landfills, plant waste, and manure, avoiding methane emissions released during otherwise natural decomposition. Once the biogas is removed from the system, remaining digestates applied as soil amendments further reduce emissions by avoiding conventional fertilizer application emissions and emissions related to fertilizer production.

Smaller CEC Increment

The proposed CEC framework focuses on CECs for large clean energy generators. OFA recommends accommodating smaller increments than 1MW to ensure Ontario continues to build a broad range of smaller scale generation. We are proponents of Virtual Net Metering (VNM) and behind-the-meter generation (BTM) such as rooftop solar. OFA considers that a robust CEC design would benefit from establishing VNM regulations to encourage more innovative clean energy schemes. Including smaller BTM schemes would create a fair and balanced CEC design.

Additionality

CEC markets should encourage investment in new non-emitting generation, especially in demand constrained areas throughout Ontario. To ensure continual grid decarbonization we support including additionality measures to achieve emissions reductions that would not otherwise occur.

To address existing generation under FIT contracts, we recommend the CEC registry applying to existing clean energy generation once FIT contracts expire; limited to a thirty year window less the period of time under the FIT contract. This will avoid situations where entities purchase CECs that have already been included in a Power Purchase Agreement.

Certification and Registry Administration

It is important that IESO planning and procurement decisions are based on an accurate emissions intensity profile of Ontario's electricity supply mix. The IESO must exclude CECs sold to a third party from IESO emissions analysis and forecasts. We support a CEC framework and design that considers which parties are responsible for the cost to administer certification of CECs, to ensure CEC purchases are valid.

Interjurisdictional Registry

The Minister outlined that the registry should include CECs for electricity generated and consumed in Ontario scoped to enable the trading of credits within Ontario, with the potential to support cross-border trading in a future phase.

Considering that Ontario's mix of hydro, nuclear, and renewable energy sources produce an electricity grid that is relatively low in emissions, demand for a CEC market could be limited within the province. To maximize the benefits to generators and ratepayers, the CEC framework should function with successful programs in neighbouring jurisdictions. We support an interjurisdictional CEC registry design aligned with neighbouring markets at the onset.

We recommend CEC design in consultation with the Federal Government to ensure compatibility with Canada's proposed Clean Electricity Standard design, and compliance with any Federal net-zero electricity grid mandate or requirements for a provincial backstop.

While the development of the voluntary clean energy credit (CEC) market and registry are in the early stages, considering the timelines imposed on the IESO, we support ongoing consultation while the IESO prepares the framework, principles, and design of the CEC Registry.



We look forward to working with the Ministry of Energy toward creating a CEC framework that helps our farm businesses adapt to climate change and create a sustainable future for Ontario's agri-food sector.

Regards,

A handwritten signature in black ink that reads "Peggy Brekveld". The signature is written in a cursive style.

Peggy Brekveld,
President

cc: Mary Anna Lewyckyj, Senior Policy Analyst, Renewables Facilitation and Analysis Unit,
Ministry of Energy

OFA Board of Directors