

Ministry of Education

Capital Policy and Programs
Branch
900 Bay Street
19th Floor, Mowat Block
Toronto ON M7A 1L2

Ministère de l'Éducation

Direction des politiques et des
programmes d'immobilisations
900, rue Bay
19^e étage, Édifice Mowat
Toronto ON M7A 1L2



2012: SB8

MEMORANDUM TO: Senior Business Officials

FROM: Nancy Whynot
Director
Capital Programs Branch

DATE: **April 20, 2012**

SUBJECT: **Renewable Energy Funding for Schools: Next Steps**

I am writing to outline additional information for the *Renewable Energy Funding for Schools* program as it heads into its final months. This information will help boards wrap-up projects under this program and fulfill program requirements.

Highlights:

- Recommendations of the two-year Review of the OPA's FIT program released
- Re-submission of applications expected to be made in the summer of 2012
- Project Completion Reports or interim reports due by **May 31, 2012**
- Projects to be installed, commissioned and operational by Dec. 31, 2012
- Amending Agreements for incomplete projects to be provided shortly
- Boards must remit unspent funds to the Ministry
- Details on annual energy reporting requirements

Two-Year Review Report: the Feed-In Tariff (FIT) Program

Ontario has completed the scheduled two-year review of the FIT program. The Two-Year Review Report was released on March 22, 2012 and may be found at the following address:

<http://news.ontario.ca/mei/en/2012/03/moving-clean-energy-forward.html>

The FIT program review does not affect existing contracts. Projects with executed contracts should proceed according to their existing contract terms and obligations.

The Ontario Power Authority (OPA) has posted the draft FIT and microFIT rules and contract for review and comment on their website. Stakeholders can submit comments on the draft rules and contract until April 27, 2012 and then the OPA will finalize the rules. The draft rules and contracts are available at:

<http://fit.powerauthority.on.ca/results-fit-program-review-now-available>

School boards with existing FIT and microFIT applications that wish to remain in the program will need to resubmit those applications to remain eligible. It would be prudent for school boards to remain attentive to the eligibility review process as it unfolds in the coming months. In particular, boards should take advantage of the recommended “priority points” in the re-submission of applications to the OPA under the FIT program. These points were outlined in the FIT review report and includes points for projects that can demonstrate:

- Minimum equity participation from Aboriginal and local communities, publicly-funded schools, colleges, universities, hospitals and long-term care facilities;
- Support from local municipalities (by way of a municipal council resolution) or Aboriginal communities; and
- Project readiness

More detail is provided in the draft FIT rules on how the priority points system will work and the evidence that will be required for applicants that choose to remain in the FIT program and resubmit their application.

The Ministry has been advised that existing FIT applications (those that were submitted prior to the announcement of the FIT review on October 31, 2011 and have not yet received a contract) will be processed under the new FIT rules and pricing. While not normally refundable, the OPA will refund the FIT application fee for applicants who wish to withdraw their application as a result of the program’s review announcement.

The OPA has posted more information for existing FIT/microFIT applicants on the website at:

<http://fit.powerauthority.on.ca/instructions-revised-fit-program-applicants-and-current-contract-holders>

Project Completion

As boards are aware, when a project is completed, boards must submit a report to the Ministry signed by the Senior Business Official confirming the project's completion and detailing the final costs of the project, including the HST net of rebates. The completion of a project means that the entire installation is complete, including the installation of the equipment related to the collection and display of data, and has been commissioned and is producing energy.

Project completion reports are due 60 days after the project is complete, with a final deadline of February 28, 2013. We recognize that some boards have already submitted a project completion report.

The completion date for projects has been extended to December 31, 2012. We ask that by May 31, 2012 all boards either:

- Submit an interim report, outlining incurred and projected costs; or
- Submit a Project Completion Report.

The interim report and final project report/s should be emailed to BSB.GPL@Ontario.ca with the subject line: Renewable Energy Project Completion Milestone – Interim or Final – BOARD NAME, PROJECT NAME.

It is the Ministry's expectation that all solar photovoltaic projects generate electricity by December 31, 2012 with a FIT or microFIT contract, a net-metering arrangement or other local use. This date will give boards time to confirm that, in the absence of a FIT or microFIT approval in the coming months, a viable alternative plan for the use of solar photovoltaic energy has been approved and implemented. This alternative plan or "Plan B" (net-metering arrangement or other local use) is to be undertaken by boards without a FIT or microFIT approval and by boards whose applications to connect to the grid were rejected because of capacity constraints.

If a board wishes to proceed with a solar photovoltaic project under a net-metering arrangement or use the power locally rather than selling it, the board should first speak with its local distribution company (LDC) to find out the requirements and proper process. If the board chooses to proceed with a connection agreement under an alternative arrangement, the project will likely not be eligible for FIT.

Amending Agreement for Incomplete Projects

If the installation of a board's project(s) is not complete as defined above, the Ministry will provide a new Amending Agreement for sign-off by the board's Director or Senior Business Official. This will keep the Agreement current between the Ministry and the

board in terms of the dates for project completion and operation, and the submission of a Project Completion Report.

Remittance of Unused Funds

If a board's expenditure under this program is less than the allocation, the board is required to remit this unused amount by cheque, made payable to "Ontario Ministry of Finance," to:

Lisaann Beharrilall
Operations Coordinator
Capital Programs Branch
Ministry of Education
900 Bay Street, Mowat Block, 21st Floor
Toronto, Ontario, M7A 1L2

Please include a note identifying the amount as *Renewable Energy Funding for Schools Unused Funds*.

Annual Energy Reports

Under the Renewable Energy for Schools program, there are three mandatory project components:

1. Commissioning: Once completed, the board must conduct commissioning of the project(s), defined as independent verification of the project requirements and performance standards. This report must be submitted to the Ministry as part of the Project Completion Report.
2. Collection and Display of Data: The board must collect real-time energy information related to the project. This information will be displayed in a way that is accessible to students for educational purposes. The board is expected to use this information in its energy management plan.
3. Reporting: The board will be required to report energy information to the Ministry on an annual basis.

All Broader Public Sector organizations, including school boards, are required, under the *Green Energy Act, Ontario Regulation 397/11*, to report on energy consumption, as outlined in the regulation:

http://www.e-laws.gov.on.ca/html/source/regs/english/2011/elaws_src_regs_r11397_e.htm

Under the *Act*, phase one reports are due July 1, 2013, which is for the fiscal year 2011. It is uncertain at this time whether renewable energy will be included for the 2013 report. In the interim, we ask that boards submit energy generation or energy offset data (in kWh) for each renewable energy project for the 2012 calendar year by February 28, 2013 in an excel spreadsheet, even if the projects were not fully operational.

Contacts

Should you have any questions regarding the Renewable Energy for Schools program, please contact Steven Mitchell at (416) 325-2015 or via email at steven.mitchell@ontario.ca

Should you have any questions about the *Green Energy Act*, please contact Karen Carter at (416) 212-3179 or karen.carter2@ontario.ca.

Should you have any questions about the FIT or microFIT process, please contact Jennifer Heneberry, Ministry of Energy, at (416) 212-7717 or Jennifer.Heneberry@ontario.ca.

Sincerely,

Original signed by:

Nancy Whynot
Director
Capital Programs Branch

cc: Directors of Education
Senior Plant Officials