



Generating Community-Based Sustainable Energy  
[www.positivepowerco-op.com](http://www.positivepowerco-op.com)

August 6<sup>th</sup>, 2004

**ORIGINALS WITH SIGNATURE  
PROVIDED BY FAX TO: 416-325-3505**

Social Policy Committee  
C/o  
Anne Stokes, Clerk  
Room 1405, Whitney Block  
Queen's Park, Toronto ON  
M7A 1A2

**UNSIGNED COPY PROVIDED  
BY EMAIL IN PDF FORMAT TO:  
[anne\\_stokes@ontla.ola.org](mailto:anne_stokes@ontla.ola.org)**

**RE: Comments on Bill 100, EBR Registry Number: AO04E0001**

Dear Ms. Stokes:

Thank you for the opportunity to present written comments on Bill 100 to the Social Policy Committee. As a renewable energy co-operative working on community-based wind power projects, the Positive Power Co-operative has a number of observations on the proposed Bill that we wish to bring to the attention of the committee.

We applaud the Ontario government's initiative in updating and revising the Electricity Act to better reflect the needs and concerns of all Ontarians. The current Electricity Act does not offer much opportunity for community co-operatives to participate fully in the electricity market, and although Bill 100 offers improvements that address many of the inadequacies of the current Act, there are areas in the proposed bill that should be changed to better reflect the needs of community groups to recognize the benefits that community based renewable energy generation projects bring to the electricity system.

### ***Recognizing the Community Power Model***

There are a number of proposed changes already contained in Bill 100 which will benefit groups like Positive Power that are currently working on community power initiatives. There are references to ensuring non-discriminatory access to transmission and distribution systems; ensuring that there is a diversification of electricity sources through the promotion of 'cleaner energy sources and technologies'; and indicates that goals will be established which will address the need for generation from renewable energy sources. All of these measures will ease the entry of renewable energy co-operatives into the electricity market, and we are pleased to see them as part of the proposed amendments to the Electricity Act.

**Bill 100 contains no specific recognition of the need to address social and community interests as part of ensuring and protecting adequate supply of electricity for the province.** Community-based generation projects like those that Positive Power are developing have a number of benefits to local communities. Community power projects offer significant benefits to local economies by allowing for direct long-term investment by citizens and the strengthening of the rural economy through the generation of new income for farmers that host wind turbine developments. Renewable energy co-operative projects also benefit the environment through the production of non-polluting clean energy that results in avoided costs normally associated with polluting sources of electricity, particularly in the areas of health care and environmental management. Facilitating the entrance of community groups into the electricity market to develop locally based renewable energy projects will also encourage distributed generation, which leads to a more stabilized and efficient electricity grid. **It is important that the benefits of projects developed by renewable energy co-operatives be explicitly recognized in the proposed amendments to the Electricity Act.**

There are several specific issues that we wish to draw attention to for inclusion in Bill 100 to better recognize the benefits of community power projects and encourage their entry into the market.

---

### ***Encouraging the Use of Renewable Energy***

The definitions contained in Bill 100 around alternative energy and renewable energy are broad and could be interpreted to mean sources of electricity with reduced pollution as compared to the majority of existing generation, such as 'clean' coal and nuclear energy. Although clean coal is less polluting than traditional coal fired generation, it is still a source of greenhouse gas emission and is a non-renewable resource. Nuclear energy offers greatly reduced greenhouse gas emissions as part of its operations, but it is also non-renewable and has a number of negative environmental consequences that cannot be ignored.

**Recommendation #1: True renewable energy or alternative energy should be more explicitly defined in Bill 100 and restricted to those cleaner energy sources that have a minimal environmental impact and are renewable, as defined by the Environment Canada Environmental Choice program and criteria.**

Bill 100 also makes a number of references to encouraging the development of renewable and cleaner energy sources through the establishment of system-wide goals for the amount of electricity produced from these sources, and re-emphasizes the Ontario Government's commitment to phase out coal fired generation plants as a guiding principle of the Ontario Power Authority. A tangible way to achieve these goals is to implement a Renewable Portfolio Standard that indicates a minimum percentage of electricity generation that would come from renewable sources.

**Recommendation #2: We encourage the formal establishment of a Renewable Portfolio Standard, to be explicitly outlined in the proposed amendments. It is important that an RPS be considered as a minimum standard to be met for the production of renewable energy in Ontario, not a maximum target to be achieved or a goal to be met and not necessarily exceeded.**

Bill 100 indicates that differing rates may be paid to different types of generators (Section 25.7), presumably to further the goals defined in the proposed amendments or in the Act itself. This could allow for a payment structure that recognizes the additional societal costs such as the environmental and public health costs associated with coal fired generation and which incorporates those costs as part of passing on the true cost of electricity to the consumer, as indicated in Section 25.31. This also offers an opportunity for community power projects to benefit. Community based renewable energy projects result in environmental benefits and a more distributed electricity grid, which in turn results in avoided costs in transmission, line loss and public health costs. These benefits could be represented through a cost benefit provided to community co-operatives, perhaps in the form of renewable energy tariffs as advocated by the Ontario Sustainable Energy Association. Renewable energy tariffs are a guaranteed rate per kWh over a long-term contract designed for smaller scale projects (less than 10MW, for example).

**Recommendation #3 Bill 100 should more explicitly define 'differing situations' to reflect more favourable payment schedules for energy generators that recognize and avoid the additional societal costs associated with coal fired and nuclear generation. Community renewable energy generation projects exemplify this type of socially responsible energy generation.**

The Ontario Government has already begun soliciting interest in the development of additional renewable energy through the recent Request for Proposals (RFP) for parcels of renewable electricity. The \$50,000/MW financial security requirement as well as the sole selection criteria being lowest cost of generation were both factors that prohibited Positive Power from participating in the RFP with either of its currently planned projects. In fact, these types of restrictions unduly favour extremely large-scale projects and make it unlikely that any renewable energy co-operative or community group working on a smaller scale project can successfully bid into processes like this. Future solicitation of renewable energy for Ontario must take into account the unique characteristics and benefits of smaller scale projects.



Generating Community-Based Sustainable Energy  
[www.positivepowerco-op.com](http://www.positivepowerco-op.com)

**Recommendation #4: Bill 100 should explicitly outline which mechanisms will be implemented to meet renewable energy generation goals that have already been set or will be set by the Government of Ontario. These mechanisms should not solely rely on lowest cost RFP bidding, and further, should provide alternate mechanisms for soliciting generation from community based renewable energy projects that recognize the benefits of these smaller scale projects.**

### ***The Overall Role of the Ontario Power Authority***

The responsibilities of the Ontario Power Authority (OPA) are to oversee the implementation of a Conservation Bureau, and act in conjunction with the OEB and IESO as well as the office of the Minister to ensure new supply and forecast demand, while the IESO will continue to oversee grid operations. In addition to these structures, interconnection to the grid for project must be applied for and approved by Hydro One. These multiple levels of procurement, solicitation and approvals must not act as a financial or bureaucratic hurdle to those community co-operatives seeking to commission smaller scale projects. Bill 100 generally defines the purpose of the Act to be to provide non-discriminatory access to the transmissions and distribution systems of the province. It is important that the smaller scale co-operative projects are addressed explicitly as part of this non-discriminatory access.

**Recommendation #5: Bill 100 should encourage renewable energy co-operative projects by introducing and explicitly describing streamlined procurement, approvals and grid interconnection processes that facilitate the development of smaller scale renewable energy community based projects.**

In closing, Positive Power feels that Bill 100 must give consideration to and explicitly recognize the value and importance of smaller scale community projects such as those being developed by our co-operative and similar groups across Ontario.

On behalf of the Board and membership of the Positive Power Co-operative, thank you for the opportunity to present these written comments to the Social Policy Committee. We look forward to presenting an oral submission at the hearings being held in Toronto next week.

Members of the committee that have questions on our recommendations or wish to learn more about Positive Power may reach us by phone at 905-971-5366 or by email at [info@positivepowerco-op.com](mailto:info@positivepowerco-op.com).

Yours truly,

Curt Hammond  
Board Chair  
Positive Power Co-operative Inc.

Jennifer Heneberry  
Project Coordinator  
Positive Power Co-operative Inc.