

# **Community Power White Paper**

*Recommendations to Accelerate the Success of  
Renewable Energy Co-operatives in Ontario*

July 2013

Submitted by the community power sector of Ontario, represented by:

Community Power Fund  
Federation of Community Power Co-operatives  
Friends of Wind Ontario  
Ontario Sustainable Energy Association  
Rural Ontario Community Power Producers Association  
Ontario Co-op Association

Individual co-op signatories include:

Amber Co-op	Queen Street Solar Co-op
Community Energy Development Co-op	Samfund Energy Co-op
Green Energy Co-op	SolarShare Co-op
GreenLife Co-op	Sustainability Ontario Community Energy Co-op
Green Timiskaming Co-op	TREC Renewable Energy Co-operative
Guelph Solar Co-op	Whitchurch-Stouffville Community Energy Co-op
LakeWind Energy Co-op	WindShare Energy Co-op
LIFE Co-op	Wintergreen Renewable Energy Co-op
Northumberland Community Power Association	York Solar Co-op
Ottawa Renewable Energy Co-op	ZooShare Biogas Co-op

## Executive Summary

Community power has huge potential for meeting multiple policy objectives in Ontario, as it already has in many jurisdictions. Community power is a form of social enterprise that engages the individual around important energy decisions in their community and enables their participation as ambassadors, investors and decision-makers in renewable energy generation projects. The community-based nature of the projects, the social finance framework by which they are developed and the fact that they are renewable energy, distributed generators, address a number of key issues important to this province, as follows:

1. Contributing to the development of vibrant, self-sufficient communities;
2. Generating employment and community wealth, by keeping profits local;
3. Reducing the environmental impacts of energy use and our demand for fossil fuels;
4. Creating a social license for project development by engaging individuals and communities;
5. Reinforcing the importance of energy conservation at the individual and community level;
6. Providing electricity systems benefits by generating close to loads.

Renewable, community-owned energy generation is on the rise around the world. Already well-established in many European countries and in the United States, the community power sector in Ontario has been gaining momentum since 2002, when the first community wind co-op project was built. Community power can take many forms but has been restricted to aboriginal- and co-op-participation in renewable energy projects in Ontario since 2012. **This paper articulates issues related to the community power sector more broadly but focuses its recommendations on the specific needs of community power co-operatives.**

Recognizing the overwhelming interest in and support for the first community power co-op, many other groups have formed to develop community-owned projects. Yet, despite several policy iterations to support community power since 2005, only a handful have been able to bring projects to fruition. Fortunately, the trend is starting to change with the latest FIT contract offers released on July 4<sup>th</sup>. If all projects are executed the province will move from under 3 MW of co-op owned projects to about 17 MW, with a further 12 MW having some form of co-op participation.

These are important beginnings but do not quell the demand for community projects. The FIT contract numbers highlight this issue:

- Under FIT 1.0 at least 15 co-op FIT applications were submitted but only 2 co-ops awarded contracts;
- Under FIT 2.0 – which provided new incentives for co-op applicants – 326 co-op applications were submitted for more than 70 MW of projects. In each category, a set-aside of 25 MW was established.
- The results of the FIT 2.0 contract offers speak to the pent up demand for community power projects as contract offers made in all categories fell short of the demand and, in the case of the set-aside, fell short of available supply too:
  - o 59 contracts, equaling 15 MW for majority-owned (set-aside) co-op projects;

- 71 contracts projects, equaling 12 MW for co-op participation (15-50% ownership) applications.

It is notable that the results are to 99% for solar projects. For wind, biomass and hydro, the community participation is next to 0.

While government policy and programs in Ontario, including the Renewable Energy Standard Offer Program (RESOP) and the feed-in-tariffs of the *Green Energy and Green Economy Act* (GEA) have resulted in the significant growth of community and co-operative groups, competition for FIT contracts and grid connection issues have severely limited project success, thus preventing the full community benefits from being achieved.

Reflecting on the latest results of the FIT and on related programs intended to support community power (specifically, the Community Energy Partnership Program - CEPP), a common issue can be identified to explain the lack of community power success. **The FIT program rules as well as the CEPP rules and timelines are based on the development pattern of commercial participants and does not respect the development pattern of community power groups.** Given the comprehensive community engagement process that is integral to the process of developing a community projects, community power proponents are subject to timelines and needs different from those of the commercial sector. As a result, these two groups should not compete on the same basis for renewable energy procurements, and this needs to be reflected in design of the FIT Program.

**To address the mis-alignment between program design and its community power audience and to build a vibrant community power sector that meets its full potential, we make these three key recommendations:**

- 1. Establish a dedicated community power procurement target of 1000 MW by 2018 for co-operatively led projects (i.e. majority (>50%) owned by co-ops) to be met by all 4 renewable energy technologies – solar, wind, hydro and biomass.**
- 2. Evolve the FIT window process to a dedicated, rolling Community FIT Program (ComFIT) for the procurement of all community power projects that are majority owned (i.e. >50%) and all technologies, allowing these projects priority access to the electricity distribution system.**
- 3. Establish an Ontario Community Energy Foundation to provide funding and financing tools that are informed by and reflect the needs of the sector. The Foundation would support applications for early-stage funding, capacity building, and support for bridge funding through the construction period.**

## Table of Contents

<i>Executive Summary</i>	2
<i>1.1 Introduction</i>	4
<i>1.2 What is Community Power?</i>	5
<i>1.3 Benefits of Community Power</i>	6
<i>1.4 Ontario's Community Power Co-op sector</i>	7
<i>1.5 Key Issues and Recommendations</i>	9
<i>1.6 Related Recommended Action for Increased Renewable Energy in the LTEP</i>	11
<i>1.7 Related Recommended Action for Distributed Generation</i>	12

### 1.1 Introduction

We are an alliance of community power organizations that represent, facilitate and support the renewable energy (RE) co-op sector in Ontario. Together we represent over 30 RE co-operatives in the province who in turn represent a membership of almost 7,000 citizens in 45 communities and a projected membership (as projects are completed) of over 25,000. We have come together to reflect on the development of our sector over the last 10 years and to recommend specific policy and program changes.

Since the inception of the community power concept in Ontario in 2002, with the launch of the WindShare turbine in downtown Toronto, we have seen growing enthusiasm and support for the idea of renewable energy projects owned by communities for the direct benefit of communities (i.e. community power). The steady growth of and commitment to community power over the years is encouraging and government support has been essential.

The Ontario government has supported community power in the following ways:

- Introduced the *Green Energy and Economy Act (GEA)*;
- Established a Feed-in Tariff (FIT) program allowing community power proponents to apply for power purchase contracts;
- Amended the *Co-operative Corporations Act, (Co-op Act)* allowing renewable energy co-ops to engage member-investors more effectively;
- Established community power and Aboriginal grant programs to support early stage soft costs for projects;
- Established price-adders for community power and Aboriginal groups;
- Established a \$1 million annual set aside of grant money to build capacity in the community power sector;
- Established set-asides for community power co-ops and Aboriginal groups, and more recently municipalities, under the small FIT Program (~ 135 MW by 2016); and,
- Established loan guarantees for Aboriginal groups.

Unfortunately, before FIT 2.0 and the set-aside for community power, intense competition for contracts together with capacity bottlenecks prevented many co-ops from bringing projects to fruition. Under FIT 2.0 we are seeing some past challenges overcome by some community power proponents, but there is still a great deal of pent up demand by Ontario communities to become

owners, generators and decision-makers in renewable energy projects as well as unmet potential surrounding the benefits of community power.

**Recognizing the history and potential for community power co-operatives and its ability to directly engage citizens on energy conservation and renewable energy, this report provides recommendations for attaining a thriving community power co-operative sector.**

## **1.2 What is Community Power?**

Community power is a fundamentally different development approach than large-scale centralized energy systems, where there is a relative absence of citizen engagement, where direct community benefits are minimal and the remoteness of large-scale systems is found to encourage unsustainable energy consumption. Community power, on the other hand, encourages a more cooperative, multi-actor, and bottom-up distributed model.

Community power projects take on different forms, but are distinguished by the following features:

- Are renewable energy generation projects;
- Are financed wholly or, in part, by citizens;
- Enable local/member-based decision-making over the project; and,
- Engage directly with the local community about the project and related energy issues.

The following groups qualify as community power according to various jurisdictions internationally:

- Investor members of co-operatives that have local, regional, or a province-wide base;
- Non-profit entities such as community centers, places of worship, housing co-ops, etc.);
- First Nations communities;
- Municipalities;
- Local distribution companies (LDCs) and their directly owned affiliates;
- Private venture groups of individual landowners with an interest in local property in the surrounding community where the project is taking place and who are not in the primary business of energy generation; and,
- Farmers or residents with a property interest in the local municipality and who are not in the primary business of energy generation.

In Ontario, the government includes co-operatives, Aboriginal groups and municipalities in its definition of community power.

### 1.3 Benefits of Community Power

Typically, each community power project's business model has its own strengths and challenges, yet the overarching policy motivation for pursuing community power is to:

- **Build stronger communities.** By building renewable energy projects owned by communities, the project benefits – both financial and environmental – are generated by communities for communities;
- **Reduce social friction around new energy development.** Community power projects encourage energy infrastructure acceptance and generates a social license to develop new projects by ensuring that community members are active in decision-making;
- **Create additional local jobs.** Of special interest with respect to community renewable energy sector is job creation. A recent study prepared by the Pembina Institute shows that community-owned power projects lead to approximately 50 per cent more direct and indirect jobs than the traditional project over a 20-year period.<sup>1</sup>
- **Foster environmental awareness and action.** When individuals participate in community-owned projects, their understanding of environmental challenges like climate change and smog increases dramatically, as does their understanding of and options available to them to reduce their individual energy use;
- **Create healthier local environments.** Community owned renewable energy projects reduce our dependence on fossil fuels and the atmospheric and local pollution associated with that energy use.
- **Provide electricity system benefits.** Most community power projects connect to the distribution system reducing efficiency losses from long-distance transmission and mitigating against massive, costly blackouts (for e.g. just 500 MW of distributed solar could have prevented the massive Northeast blackout of 2003, saving \$6 billion).<sup>2</sup>

While community power may take on a variety of forms, the organizations associated with this paper believe that co-operatives are a unique form of community power that multiplies the associated economic and social benefits of community power. Co-ops:

- ✓ **maximize** local community engagement in decision making about renewable energy;
- ✓ **increase** the number of local citizens directly participating in energy generation for their communities; and,
- ✓ **increase** the retention of benefits of energy generation – keeping both the environmental benefits and project profits closer to home.

Co-operative power projects mobilize the greatest number of Ontario residents -- up to 1000 people/ MW). They present an opportunity for open, accessible and direct investment and economic benefits -- bonds and or shares are generally priced \$500 - \$2500, and provide a 5 to 10

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<sup>1</sup> <http://cpfund.ca/docs/research/analysis-of-community-power-projects-in-ontario.pdf>

<sup>2</sup> <http://www.ilsr.org/democratizing-electricity-system-vision-21st-century-grid/>

per cent return on investment to each member. They operate on the basis of direct democratic participation where each individual member has a vote. The co-operative power sector is proud of its history in Ontario, which the government has recognized, through FIT 2.0, as needing and warranting a set-aside as well as exclusive access to the CEPP 2.0.

Through their social financing efforts -- selling bonds and shares, raising community loans, for example, co-ops actively engage thousands of people in their communities, leading them in one-on-one discussions about the project, renewable energy, conservation and related themes. Early estimates of the number of individual Ontarians participating in the growing number of community energy projects is approximately 7,000 with an expectation of reaching over 25,000 with the FIT 2.0 build out. These projects are located in over 50 municipalities across the province.

***This paper supports the continued prioritization of and special treatment for co-ops in Ontario's renewable energy sector.***

## **1.4 Ontario's Community Power Co-op sector**

### **History**

Ontario's community power co-operative sector originated in the late 1990s. It began with the deregulation of the electricity sector that opened the market to alternative generation technologies and ownership models. In that landscape the TREC/WindShare Energy Co-op, with Toronto Hydro, built a wind turbine in Toronto with more than 600 member-investors. In 2004, the government of Ontario commissioned a study to outline a policy framework to support community power. The study proposed a feed-in-tariff as the primary procurement mechanism and an early-stage grant program to allow communities to participate on equal terms to the private sector in the generation and ownership of renewable energy projects. In response, Ontario introduced the Renewable Energy Standard Offer Program (RESOP) in 2006, and provided seed funding to launch a grant program through the Community Power Fund in 2007.

Through these actions, the groundwork was laid for community power, but it was not enough to get projects off the ground. Co-op proponents under RESOP faced several barriers preventing them from accessing contracts. One particular barrier was gaming by the private sector whereby 100 MW projects originally intended for the RFP program were broken up into 10x10 MW projects in order to conform to the RESOP program rules. The frustration and limitations of the program felt by community power proponents and other community-based organizations lead to the formation of the Green Energy Act Alliance and the call for a comprehensive and community-based approach to renewable energy development.

The Alliance was a citizen-based initiative, made up of OSEA, CP Fund, Ontario Federation of Agriculture, First Nations Energy Alliance, David Suzuki Foundation, Environmental Defense Canada, Pembina Institute, Ivy Foundation etc., which proposed the following:

- a cost-based Feed-in tariff (FIT) program;
- set-asides for community power (co-ops and Aboriginal groups specifically);
- amendments to the *Co-op Act* to make it easier for groups to raise community capital;

- provincial standards and rules for siting and environmental permitting; and,
- continued and increased financial support for early stage soft costs and construction financing.

The GEA and the initial Feed-in-tariff program (FIT 1.0) addressed all of the above, with one key exception -- there were no set-asides for co-ops or Aboriginal groups under FIT 1.0. The result was that very few of these groups were successful under FIT 1.0. After the FIT review, FIT 2.0 rules were amended to provide set-asides for co-operatives and Aboriginal groups. The level of interest and uptake by these two groups under FIT 2.0 was tremendous, with a more than three-fold application to allocated capacity ratio.

### **Today**

Ontario has taken many important steps to facilitate the growth of community power co-operatives by:

- amending the Co-op Act in 2009;
- establishing a grant program (CEPP) for project funding and education in 2010;
- established community adders to the FIT rates in 2009; and,
- established set-asides in the small FIT 2.0 program in 2012.

According to the Ontario co-operatives regulator, the Financial Services Commission of Ontario (FSCO) website, at least 70 groups have been incorporated as renewable energy co-ops, with almost a third of those forming in 2012. Many of those groups are represented by organizations co-authoring this paper: the Federation of Community Power Co-ops, the Rural Community Power Producers Association of Ontario and the Ontario Sustainable Energy Association.

**Leading up to FIT 2.0, only 3 co-ops in the province had built projects and launched their portfolio, this despite more than 15 applying under FIT 1.0. The results for FIT 2.0 contract offers are promising but still falls far short of demand and potential.**

Under FIT 2.0 – which provided new incentives for co-op and aboriginal participation – 326 co-op and 494 aboriginal applications were submitted for a total of almost 80 and 200 MW respectively. In each category, a set-aside of 25 MW has been established. The results of the FIT 2.0 contract offers speak to the pent up demand for community power projects as contract offers made in all categories fell short of the demand and, in the case of the set-aside, fell short of available supply too:

- 59 contracts, equaling 15 MW for majority-owned (set-aside) co-op projects;
- 71 contracts projects, equaling 12 MW for co-op participation (15-50%) applications;
- 29 contracts, equaling 17 MW for majority-owned (set-aside) aboriginal projects;
- 60 projects, equaling 46 MW for aboriginal participation (15-50%) applications.

It is notable that 99 per cent of these contracts are for solar projects. For wind, biomass and hydro, the community participation is next to 0 with only 1 biogas co-op being awarded a FIT 2.0 contract offer. We understand from our membership that at least ten co-ops are pursuing wind



projects but cannot even prepare to move forward as the procurement rules for large projects have not yet been released.

Community groups, too, do not have the access to capital for the high-risk early development stage, where it is most uncertain whether the work done will ever result in a FIT contract being awarded. The 20 MW TREC/LakeWind Co-op project, for instance, after investing almost \$1 million community-raised funds in pre-development costs, was unable to obtain a FIT contract owing to grid constraints, and remains dormant, three years after making its FIT application, and eight years after securing its site. Given that experience, other community groups are reluctant to expend scarce capital without the assurance that a FIT contract will be forthcoming.

Given the number of co-ops and the capacity they represent, as well as the associated social and economic benefits, it makes most sense for the Government to pursue a Community FIT Program for community-led projects, for all technologies (see below).

## 1.5 Key Issues and Recommendations

### 1. *Co-op participation is falling short of potential (pent up demand for projects)*

With more than 50 renewable energy co-ops with active membership in the province and only 2 being awarded contracts under FIT 1.0 and 30 co-ops under FIT 2.0 there is pent up demand by the people of the province to participate in and benefit from the Green Energy and Green Economy Act. While the set-asides introduced under FIT 2.0 are a positive step forward, alone they are too modest to capture the current project pipeline of the sector, let alone support the economic development opportunity so desperately needed in many rural communities across Ontario.

**Recommendation 1:** To meet the current pipeline of projects and to generate an economy of scale that will enable the sector to grow, **establish a dedicated community power procurement target of 1000 MW by 2018 for co-operatively led projects (i.e. majority (>50%) owned by co-ops) to be met by all 4 renewable energy technologies – solar, wind, hydro and biomass.**

### 2. *Community power development takes a different form to commercial developments which needs to be reflected in related programs (FIT and CEPP)*

All previous and current programs (RFPs, RESOP, and FITs) have been designed around the needs and characteristics of large commercial or utility generators which is reflected in the rules as follows in these examples:

- Expensive OPA security deposits (co-ops cannot raise high risk capital from community investors);
- Shovel readiness requirements (which assumes co-ops can speculate on several sites/projects at a time, which many cannot);

- FIT application windows (which assumes co-ops can afford to cover overhead costs and projects costs between one window and the next, which most cannot).

The rules of engagement do not reflect the needs or characteristics, nor the timelines, of community based sector projects.

While the set-asides under FIT 2.0 begin to take into account the unique quality of community power, the larger framework assumes the primary proponents and applicants are commercial generators. In order to truly engage community power co-operatives as energy generators, a specific procurement program needs to be designed around their needs and characteristics.

At the same time, there is currently no commitment to establishing set-asides for co-operatives, Aboriginal or municipal ownership in the recently announced competitive procurement process for renewable energy projects above 500 kW. Rather than establishing a new set of rules and considerations for community power in the yet to be defined procurement process, a ComFIT for all community power projects is encouraged. We believe this to be an efficient and effective approach to achieving the above targets and ensuring community power success. It is also in-line with trends in other jurisdictions, notably the United Kingdom and Nova Scotia.<sup>3</sup>

**Recommendation 2: Evolve the FIT window process to a dedicated, rolling Community FIT Program (ComFIT) for the procurement of all community power projects that are majority owned (i.e. >50%) and all technologies, allowing these projects priority access to the electricity distribution system.**

### ***3. The timing of funding and financing out of sync with community power needs.***

The expectation that community power proponents will follow the same development patterns and timelines as commercial developers is evident in the design of support programs for community power, specifically the Community Energy Partnerships Program (CEPP) and the Aboriginal Renewable Energy Fund (AREF). One key example is that funding ceases once a community project has reached notice-to-proceed (NTP). Typically this is the stage of a project when commercial developers can secure their financing and proceed with the construction of their projects. For a co-op, this is typically the stage when it is in the process of acquiring projects from a commercial partner and is in need of funding resources to cover legal, due diligence and co-op capital mobilizations costs.

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<sup>3</sup> Successful dedicated ComFIT programs exist in several jurisdictions. Information about the Nova Scotia and United Kingdom programs can be accessed here, respectively:

[http://www.gov.ns.ca/econ/cedif/docs/introduction\\_to\\_the\\_comfit\\_program.pdf](http://www.gov.ns.ca/econ/cedif/docs/introduction_to_the_comfit_program.pdf) and <https://www.gov.uk/government/news/more-community-energy-projects-to-get-support-under-feed-in-tariffs>

Given the current CEPP rules, there are over ten co-ops that cannot access CEPP resources since the projects they are partnering on or purchasing have reached or are about to reach NTP.

Another challenge has been that the CEPP timelines are out-of-step with the FIT program, making it difficult for co-ops to access the CEPP in time to successfully apply to the FIT program. CEPP 2.0 did not begin to receive applications for pre- FIT grants 2.0 until months after the FIT 2.0 was opened and closed.

**Recommendation 3: Establish an Ontario Community Energy Foundation to provide funding and financing tools that reflect the needs of the sector. This includes early-stage funding, capacity building, and support for bridge funding through the construction period.**

The Ontario Community Energy Foundation and its programs need to be based on meeting the targeted growth in community power, the characteristics and project development and financing paths of the sector, as well as the criteria, timelines and obligations under the proposed ComFIT program.

**Timing:** Given the benefits of community power co-ops as well as the significant number of community power co-op projects in the OPA pipeline, the government should implement the ComFIT program as quickly as possible but should not remove existing programs and processes until the ComFIT is operating. Ideally, the recommendations are implemented concurrently with the community/regional energy planning initiative and discussions on the province’s Long Term Energy Plan (LTEP).

We submit, and international experience demonstrates, that community power co-op projects are one of the best means to engage local citizens in community-based discussions about energy consumption and the benefits of renewable energy. This community involvement will reduce social friction over energy siting questions. **Immediate implementation of our recommendations for community power co-operatives will help ensure continued local support for and capacity to develop local energy plans that support renewable energy and conservation.**

## **1.6 Related Recommended Action for Increased Renewable Energy in the LTEP**

Ontario is the first jurisdiction in North America to phase out its entire coal-fired electricity generation. A growing proportion of this formerly highly-polluting electricity source is being replaced by clean, renewable energy that is being ***manufactured, owned and generated in the province of Ontario.***

The International Energy Agency (IEA) forecasts global power generation to continue its rapid growth over the next five years, acknowledging “the coming-of-age of the renewable energy sector”. The IEA expects that despite economic uncertainties, renewable energy to increase by more than 40 per cent globally by 2017. South of the border, renewable energy continues to grow, with 29 U.S. states having implemented mandatory renewable energy targets and a further eight setting state goals.

Eighteen US states use FITs to procure renewable energy, although none are as comprehensive as Ontario's.

In 12 years (2000 – 2012) Germany's renewable energy generation grew from supplying six per cent of the country's electricity to 20 per cent. By 2020 they will reach 30 per cent, as they phase out their entire nuclear generation. Germany, along with other European countries, is targeting 100 per cent renewable energy by 2050. Much of this is already today delivered through renewable energy co-ops developing 100% Renewable Energy Villages and entirely energy self-sufficient regions.

By comparison, Ontario's current renewable energy target is 13 per cent by 2018, and stops there. We have no targets set beyond this date. **Increasing our renewable energy targets to 30 per cent (15,200 MW) by 2018 will put us on par with many international targets and enable us to gain an estimated 300,000 jobs.**

*Of special note with respect to the successful growth of renewable energy in Germany is the extent to which the sector and the government has relied on the steady growth of community owned projects as well as aggressive national and local targets. According to the German Co-operative Federation there have been 430 new energy cooperatives formed from 2006 to 2011 and billions of dollars directly invested by citizens. Also known as a 'prosumer' model, by 2010, over 50 per cent of renewable-energy capacity was owned by individuals or farmers in Germany, with the largest four energy companies owning just 6.5 per cent.<sup>4</sup>*

**Recommended Action A1: Increase the renewable energy target in the LTEP.** To grow the RE and community power sector and bring Ontario closer to renewable goals set by other jurisdictions increase the province's RE targets to 15,200 MW by 2018, and 25,000 MW by 2025.

## 1.7 Related Recommended Action for Distributed Generation

*"Seven or eight years ago, we said that the electricity system could not function if wind power increased above 500 MW. Now we are handling almost five times as much. And I would like to tell the Government and the Parliament that we are ready to handle even more, but it requires that we are allowed to use the right tools to manage the system."*

— Chairman of the Western Danish System Operator Eltra at the presentation of its 2003 annual report to the Danish government

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[http://www.dgrv.de/weben.nsf/272e312c8017e736c1256e31005cedff/41cb30f29102b88dc1257a1a00443010/\\$FILE/Study%20Results%20Energy%20cooperatives%202012.pdf](http://www.dgrv.de/weben.nsf/272e312c8017e736c1256e31005cedff/41cb30f29102b88dc1257a1a00443010/$FILE/Study%20Results%20Energy%20cooperatives%202012.pdf)

As the quote above illustrates, one often-cited reason for limiting renewable energy targets is the perceived difficulty of integrating variable output sources of electricity. But in jurisdiction after jurisdiction, that integration has proven not only possible but necessary.<sup>5</sup> In Ontario too, we have seen that integration happen and become easier as the much-needed grid upgrade investments finally occur. Already, solar is well-matched to daily peak loads, as well as the overall system peak, which for Ontario occurs in the summer months when the demand for air conditioning is greatest.

Ontario's distribution system has been under-funded for decades. To fully gain access to Ontario's abundant and diverse renewable resources, the province must begin a comprehensive program of redevelopment of its electricity distribution system.

Because the system needs extensive reconstruction simply to continue functioning, Ontario is in the rare position in North America of being able to redesign it for the 21st century by building a network of "collectors" of distributed generation rather than simply rebuild a 20th century distribution system energy economy.

**Recommended Actions A2: Provide Priority Access to community power.** Where a Community Power co-op project has applied for a FIT (or ComFIT) contract they should be given priority access to the grid.

**Recommended Action A3: Double DG Capacity on transformer stations.** Ontario currently caps the ability of transformer stations to accept renewable energy capacity at 7 per cent of minimum load. This capacity should be doubled to accommodate the 2018 community power targets and would result in no negative impact to the system.

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<sup>5</sup> <http://www.ilsr.org/democratizing-electricity-system-vision-21st-century-grid/>