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**Ontario Power Authority
Suite 1600
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**RE: CanSIA Submission to the OPA Regarding the Proposed FIT Program;
Submission 2: Legacy Projects & the Initialization Period**

Introduction

The Canadian Solar Industries Association (“CanSIA”) is the national trade association representing more than 300 solar energy companies operating across Canada. Our mission is to develop a strong, efficient, ethical and professional Canadian solar industry that is able to provide innovative solar energy solutions and play a major role as the world transitions to a sustainable future. The majority of CanSIA’s members reside and do business within the province of Ontario.

This document is CanSIA’s second submission in response to the stakeholder consultation process being conducted by the Ontario Power Authority (the “OPA”) regarding its proposed Renewable Energy Feed-In Tariff Program (the “FIT Program”). This submission is in response to the OPA’s Call for Comments on the treatment of ‘Legacy Project’ applications during the Initialization Period.

CanSIA thanks the OPA for this opportunity to provide feedback on the proposed design of the FIT Program and looks forward to working together in an effort to create a more effective, equitable and robust renewable energy procurement program.

Our response is provided based on the following two sections:

Section	Topic Addressed
A	Critical Issues and Concerns Regarding Proposed Initialization Period
B	Proposed Solutions Regarding Legacy Projects & the Initialization Period

A. CRITICAL ISSUES AND CONCERNS REGARDING PROPOSED INITIALIZATION PERIOD

1. Price Degression and Effective Program Cap

CanSIA acknowledges that the most immediate and critical issue that must be resolved is the proposed FIT degression rate of 9 percent for every 100 Megawatts (“MW”) of large scale ground mounted solar PV contracts executed. The proposed degression adjustment mechanism removes the price and market certainty that attracts investment thus ultimately eliminating the key feature that makes a FIT Program such an effective method of procurement. In doing so, it essentially acts as an effective cap on the program of 100 MW and will almost certainly result in the near immediate collapse of Ontario’s ground-mount solar industry, thus limiting the viability of the PV industry as a whole.

2. Reclamation and Reallocation of Ontario Grid Capacity

Upon the suspension of the previous Renewable Energy Standard Offer Program (“RESOP”), developers were informed by the OPA that the Program would be re-launched shortly in a revised format. At that time the OPA acknowledged, in good faith, that it would recognize the planning, financial investments and development of generation projects already underway in the RESOP program, with the understanding that these projects would qualify and receive priority in terms of securing capacity on the grid once the Program was reinstated.

The RESOP program has been re-launched in the form of the FIT program. A substantial cumulative investment has been made regarding the development of large scale solar PV projects over a period of years during RESOP. As the proposed FIT Program Initialization Period stands now, capacity already awarded to and held by project developers under the RESOP will be rendered unviable or prohibited from securing a FIT Contract, and thus will be reclaimed and reallocated. CanSIA feels that this process is punitive to early-adopters in the Province, and does not reflect the FIT Program principles to develop a more effective, equitable and robust renewable energy procurement program.

3. Limitation on Multiple Submissions per Transformer Station

CanSIA submits that many developers hold multiple CIAs at single transformer or distribution stations that are in fact among their most advanced and economically viable of all projects under development.

4. Large Volume of Legacy Solar PV Projects

CanSIA supports the OPA in their efforts to balance the broader policy objectives of the ‘Green Energy and Green Economy Act’ with the impact on Ontario rate-payers. We recognize the fact that there is a significant volume of solar PV projects currently under development in Ontario that are categorized as ‘Legacy Projects.’ CanSIA believes that the proposed FIT Program degression adjustment mechanism and the proposed 100 MW step (cap) prevents the OPA and the Province of Ontario from reaching their desired balance and thus challenges the robustness of this Program.

B. PROPOSED SOLUTIONS REGARDING LEGACY PROJECTS & THE INITIALIZATION PERIOD

Each of the following recommendations address one or more of the critical issues and concerns outlined above. In addition, CanSIA submits that the following is required to achieve critical mass in the solar industry necessary for achieving the FIT Program's overall policy objective; to spark growth in the Ontario 'Green Economy' and enable the creation of 50,000 'Green Jobs'. CanSIA's recommendations also strive to balance the OPA's objectives which include limiting the impact on rate-payers.

1. Imposition of Limit on Total Number of Applications Allowable Under Legacy Project Status

CanSIA recognizes that the OPA must be prudent in ensuring there is a degree of certainty regarding the maximum amount of MWs that have the ability to be commissioned at the initial price. CanSIA further recognizes that this amount must be reasonable. CanSIA supports the OPA's efforts for fairness during the process and is optimistic a solution can be reached that achieves this target, along with the target of allowing the Ontario solar industry to grow sustainably over time while respecting the significant investments made by CanSIA members, in good faith, to acquire grid capacity and develop projects.

Recommendation: CanSIA, along with its Ontario solar PV members, requests the opportunity to work collaboratively with the OPA to develop a framework to determine which Legacy Project submissions are allowable, how quantities should be allocated, and how to ensure significant investment to-date is recognized going forward.

2. Expansion of the First Tranche Before Degression to Accommodate All Legacy Projects

It is essential that the FIT Program enables the solar industry to reach a critical mass. The primary function of any effective FIT Program is that participants are able to gain certainty around a standard, guaranteed price. Allowing Legacy Projects to proceed under the initial price will provide the same certainty currently being offered to all other technologies under the Program.

Recommendation: Expand the cumulative number of MWs prior to price degression to accommodate Legacy Projects.

3. Limitation on Number of Submissions Per Transmission Station

Should the OPA accept a CanSIA proposal regarding the proposed reasonable limitation on Legacy Project submissions (as discussed in section B.1) it will subsequently be unnecessary for the OPA to include additional provisions regarding fairness. Furthermore, additional provisions hinder the OPA's ability to achieve the desired outcome of awarding contracts to the most economically viable and advanced "shovel-ready" projects.

Recommendation: Removal of limitation on number of submissions per transmission station.

4. Initialization of Significantly Reduced Degression Rate (After Legacy Projects)

As submitted earlier, the proposed degression rate adjustment mechanism must be reduced significantly to enable the long-term sustainable growth of the solar industry, to provide the certainty of a fair price that guarantees a reasonable rate of return, and to enable the industry to reach the critical mass required to spark new skilled job creation and industry development within the Province.

Recommendation: CanSIA requests the opportunity to work collaboratively with the OPA in the revision of the proposed degression rate adjustment mechanism.

5. Prioritization by Seniority

CanSIA supports the OPA in their efforts to target serious and 'shovel-ready' projects. However, while many developers have a number of Connection Impact Assessments ("CIAs"), the eldest may not be the most economical or the most advanced.

Recommendation: CanSIA supports that position that the most effective prioritization method is by way of CIA submission date, however, the ability to exchange more 'shovel-ready' projects for less viable projects must be built into the process.

6. Integration of Distribution and Transmission Connected Projects

CanSIA submits that there is a great deal of added value in promoting distributed electricity generation across the Province for a variety of economic and social reasons. In most cases it reduces the need to transmit electricity greater distances reducing line losses, as well as acts to better geographically distribute opportunities for local economies to participate, thus achieving the objective of the Province of Ontario in developing new skilled 'Green Jobs' and a specialized 'Green Economy.'

Recommendation: Distribution-connected projects should be prioritized above transmission-connected projects.

7. Definition of Legacy Projects

CanSIA disagrees with the proposed definition of 'Legacy Project';

"A Project for which an Application for a Connection Impact Assessment was submitted to the applicable LDC prior to February 23, 2009 and was completed prior to the start of the Initialization Period."

The announcement of the Green Energy Act on February 23, 2009, did not contain sufficient detail for project proponents to recognize that CIA applications made after that date would essentially have little to no possible value.

Recommendation: The OPA's announcement of the draft FIT rules on March 12, 2009 should be the date for determining legacy projects.