



January 27 is
Family Literacy Day



Ontario green-lights energy projects

February 28, 2007

TYLER HAMILTON
ENERGY REPORTER

An Ontario program designed to let small energy producers sell clean electricity to the province is beginning to bear fruit.

Energy Minister Dwight Duncan announced yesterday the first 22 wind, solar, bio-energy and water projects approved under the program. Together, the renewable projects have the capacity to produce 140 megawatts, which is enough to power about 30,000 homes. Dozens more are expected in the coming weeks.

The so-called standard offer program pays 11 cents per kilowatt-hour for power that comes from wind, water or biomass, or 42 cents per kilowatt-hour for solar electricity. The only caveat is that projects must be 10 megawatts or less in size.

The program, one of the most progressive in North America, was created to encourage smaller developers to participate in Ontario's energy market, where larger, well-funded companies have traditionally dominated.

"We're giving Ontarians, whether they be farmers, co-operatives, or small businesses, the opportunity to help strengthen our energy system, reduce our reliance on coal, and clean up our air," Duncan said. He said the 22 contracts represent a capital investment of \$336 million

The biggest contribution by far came from wind power. Fourteen wind projects were approved, ranging in size from 1.8 megawatt to 10 megawatts and totalling 130 megawatts.

Three bio-energy projects - one that converts wood waste into electricity and two that produce power from landfill gas - will generate 10.2 megawatts, while two small waterpower sites will contribute 2.45 megawatts.

Three small solar projects were approved, together totalling just 22.9 kilowatts. Deborah Doncaster, executive director of the Ontario Sustainable Energy Association, said the poor showing for solar is a sign that the government isn't paying enough for it.

"The price of 42 cents is not giving people the business case to do these projects, and it's half of what we asked for," said Doncaster, adding that solar is one of the most appealing renewable-energy technologies because it results in energy when we need it - during peak times.

She said the Ontario Power Authority made clear the 42-cent price is "exploratory" and could be raised if it meant spurring more projects.

A number of massive solar projects are in planning stages and could be approved in future rounds. For example, SkyPower Corp. of Toronto has plans to develop a number of 10-megawatt solar parks and smaller building-rooftop systems throughout southern Ontario.

Kerry Adler, president of SkyPower, told the *Toronto Star* that as much as 120 megawatts of solar power have been identified for possible development. The first 10-megawatt site could be announced this spring.

Doncaster said the business case is better for larger solar projects, which can be 30 per cent to 50 per cent less expensive because of economies of scale.

Overall, she said she's pleased with the current batch of contracts but hopes Premier Dalton McGuinty will fast track the creation of a \$10 million revolving fund, which would help support community-based developers that have difficulty raising start-up capital.

Meanwhile, the Fair Power Coalition urged the government to let wind projects in the Bruce Peninsula participate in the program. In November, the power authority created an "orange zone" that restricted development in the area because of transmission constraints.

Environmental groups, arguing the government is giving priority to nuclear power, say a certain amount of capacity on those transmission lines should be guaranteed for renewable projects.