



CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Corporate Assets and Strategic Planning Division

TO:	Chair and Members Public Works Committee
COMMITTEE DATE:	October 17, 2016
SUBJECT/REPORT NO:	Blanket Support Resolution for Rooftop Solar Projects for the Feed in Tariff Program (PW12069c) (City Wide)
WARD(S) AFFECTED:	City Wide
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SUBMITTED BY:	Geoff Lupton Director, Energy, Fleet & Traffic Public Works Department
SIGNATURE:	

RECOMMENDATION

- (a) That the City of Hamilton support the Independent Electricity System Operator (IESO) Feed in Tariff (FIT) Program Version 5.0 for the construction and operation of rooftop solar photovoltaic (PV) installations within the City of Hamilton by approving the Municipal Council Support Resolution, as shown in Appendix A;
- (b) That all other renewable energy projects (FIT 5.0 or Large Renewable Energy projects) will be reviewed individually by Planning and Economic Development and Office of Energy Initiatives, and subsequently brought to Council for individual project approval and individual Support Resolutions.

EXECUTIVE SUMMARY

The Ontario Power Authority (OPA) originally developed the FIT Program to encourage and promote greater use of renewable energy sources including On-Shore Wind, Waterpower, Renewable Biomass, Biogas, Landfill Gas and Solar PV (rooftop and non-rooftop) energy for electricity generating projects in Ontario. Such programs are now administered under the IESO following the merger of the two entities (OPA and IESO) in January 2015. The IESO's fundamental objective of the FIT Program, in conjunction with the *Green Energy and Green Economy Act, 2009* (Ontario) and Ontario's Long Term Energy Plan, 2013 is to facilitate the increased development of renewable

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OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

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generating facilities of varying sizes, technologies and configurations via a standardized, open and fair process.

The FIT 5.0 program is currently being offered by the IESO and the window for receiving applications is October 31, 2016 to November 18, 2016. New FIT 5.0 program applications will be prioritized using a point scheme, similar to past program rules. One area in which points are awarded is called a Municipal Council Support Resolution.

In order to receive priority points under the Municipal Council Support Resolution (as set out in proposed resolution in Appendix A), a project must have received the support of the local municipality where the project is located, in the form of an approved Municipal Council Support Resolution form.

Project applications can receive 2 additional priority points for projects proposed in a municipality where the council has an approved resolution. The IESO has provided municipalities with a specific form that councils must use to support the installation of projects within their municipality. Council has had previous resolutions in place (e.g. FIT 4.0 rooftop solar PV projects - PW12069, however a new resolution is required since as they are only valid for twelve months; the last one for FIT 4.0 expired June 2016. Approving a new resolution would allow eligible projects to receive these priority points, and improve proponent's chances of approval under the FIT 5.0 program for these Hamilton based projects.

Support for other projects - such as larger ground mount solar projects or other renewable projects brought forward by the public - can be granted a resolution, but only on a project by project basis, as previously directed by Council. These projects may include large tracts of land and may have an impact on the long term land use plans, which is why a project by project review is recommended.

In a September 27, 2016 announcement made by the IESO the Large Renewable Procurement program was cancelled as directed by the Minister of Energy.

Alternatives for Consideration – See Page 4

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: None

Staffing: None

Legal: None

HISTORICAL BACKGROUND

The FIT program was enabled by the Green Energy and Green Economy Act in 2009. Previous versions of the program were implemented by the OPA. The IESO is now responsible for implementing this program since the OPA merged with the IESO, effective January 2015. The FIT program is a guaranteed pricing structure for renewable electricity production. Eligible projects include biogas, biomass, landfill gas,

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solar PV (rooftop and non-rooftop), waterpower and wind based production. The FIT program has two streams – FIT program for projects over 10 kilowatts and the microFIT Program for projects 10 kilowatts and lower. Larger projects are managed by the IESO using the Large Renewable Procurement (LRP) program which also speaks to individual Municipal Support Resolution requirements.

In a September 27, 2016 announcement made by the IESO the Large Renewable Procurement program was cancelled as directed by the Minister of Energy.

The FIT program has had an overwhelming number of applicants in the past releases of their program, and introduced priority points in FIT 2.0 as a means to prioritize the projects for approval. A further review of the program has recently occurred leading to some changes in the priority point structure among other program enhancements.

Priority points are awarded under the category of “Price Reduction Priority Points” which is divided into three tiers; and “Additional Priority Points” in areas for Municipal Council Support Resolution, Aboriginal Support Resolution, Municipal Site Host or Public Sector Entity Site Host, and Aboriginal Community Host. The priority process provides 2 points towards projects that have the Council support resolution in place.

Council previously approved support resolutions for FIT versions 2.0, 3.0, 3.1 and 4.0. As many other communities continue to put resolutions in place, it is equally important for Hamilton to also provide the opportunity for priority points to enable local renewable energy projects under the FIT 5.0 Program.

The resolution is to support all local solar rooftop PV projects. The resolution does not release the projects from meeting other regulatory approvals and site requirements. Resolutions are only used for the purposes of awarding priority points under the FIT Program. Projects will need to obtain any and all required approvals prior to construction including visual screening or setback requirements as applicable.

The final FIT 5.0 program has an application window of October 31, 2016 to November 18, 2016. Approving a resolution now will allow program applicants the opportunity to be awarded priority points when the application period is opened.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

The Corporate Energy Policy supports these types of projects which continue to confirm Hamilton as an industry leader and renewable energy champion.

RELEVANT CONSULTATION

The following departments were consulted during the creation of this report; Legal Services, City Manager’s Office, Planning and Economic Development and City Clerks, City Manager’s Office.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The rationale for supporting renewable energy project development in Hamilton includes various benefits such as local job creation, less reliance on fossil fuel generation, and reductions in greenhouse gas emissions.

ALTERNATIVES FOR CONSIDERATION

For Council to not pass this resolution would mean projects in the City of Hamilton would not get the priority points available as part of the FIT 5.0 Program. This could mean that other projects in other jurisdictions may get approval ahead of Hamilton based projects. This could put undue financial burden and delays for residents that desire local projects or at worst see local projects not proceed at all.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Clean and Green

Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.

APPENDICES AND SCHEDULES ATTACHED

Appendix A – Prescribed Form: Municipal Council Blanket Support Resolution