

Ontario Aiming to Lead North America's Green Economy



Dr. T. Romano; Consul - Economic Affairs, Province of Ontario (Canada),
Ontario International Marketing Centre at the Canadian Consulate in Munich

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Located in the central Great Lakes region of North America, Ontario is Canada's most populous province and the centre of its industry. Ontario, Canada has already established a world reputation as an attractive location for renewable energy investment, and the province's new Green Energy Act (GEA) takes that reputation further. The legislation firmly establishes the province as a North American leader in renewable energy by helping more than double the province's renewable energy capacity.

Where is Ontario?



Dr. Hermann Scheer, General Chairman of the World Council for Renewable Energy, and Member of the German Bundestag, stated that "Ontario's Green Energy Act represents North America's most ambitious and far reaching enabling legislation and will place Ontario as a world leader in renewable energy development, industrial innovation and climate protection."

Ontario is one of North America's leading industrial and service economies, and is an easy drive from the continent's largest markets. Its diverse economy, educated workforce and a long history of energy development make the province an ideal place to grow new renewable energy technologies.

Opportunity exists both to help meet the province's electricity demand (Ontarians spend over \$7 billion a year on electricity to power their homes and small businesses), and to market technologies from a North American base to around the world. Investments in new renewable energy projects already in place or under construction in Ontario total about \$4 billion. There are currently over 380 new projects over 10 MW at various stages of development in Ontario -- representing 15,128 MW of potential new renewable energy supply. 164 of these projects, over 13,000 MW, are wind energy projects.

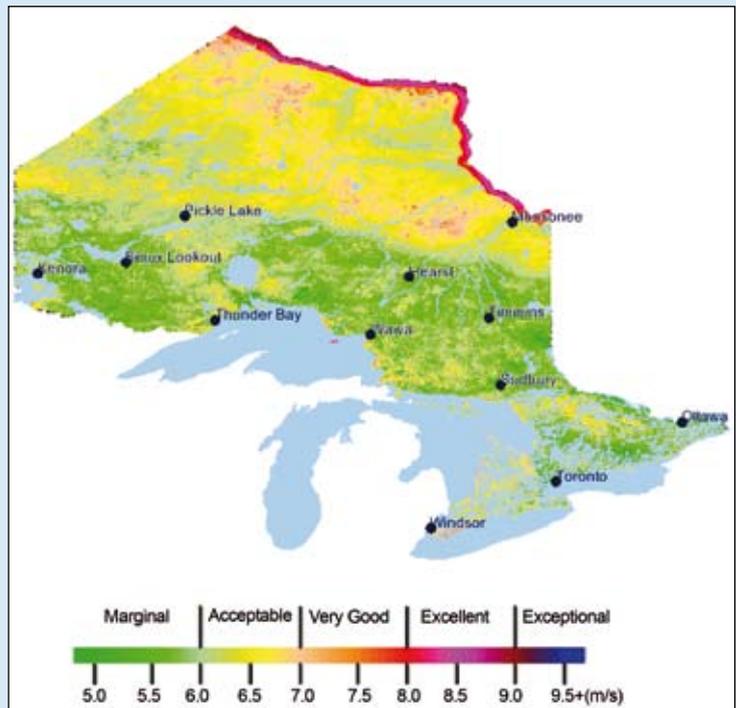


Fig. 2: Ontario' Wind Energy Resources
Source: Ministry of Natural Resources

With 1,000 MW of installed wind capacity and Canada's two largest wind farms, Ontario is Canada's leading wind energy jurisdiction. Ontario was also hailed as North America's wind energy leader recently at the World Wind Energy Conference in South Korea, where George Smitherman, Ontario's Deputy Premier and Minister of Energy and Infrastructure, accepted the 2009 World Wind Energy Award.

In the past year, Ontario has contracted for approximately 500 MW of new wind power. The natural wind resources along the Great Lakes – where there is the largest concentration of industry and population in Canada – provide the best opportunities for on- and off-shore wind projects. The proposed feed-in tariffs for wind projects as of July 8, 2009 are 13.5 Canadian cents (or approximately 9 Euro cent) per kw/hour for on-shore projects and 19 Canadian cents (or approximately 12 Euro cent) per kw/hour for off-shore wind projects. The final tariffs will be part of the GEA regulations, which will also finalize set-back rules for wind turbines and other criteria for renewable energy projects.

The GEA will expedite the growth of clean, renewable sources of energy, like wind, solar, hydro, biomass and biogas, making Ontario North America's leader in renewable energy. Key proposed tools to achieve this include:

- Creating a Feed-in Tariff that guarantees specific rates for energy generated from renewable sources. Guaranteed rates would be set for 20 years – a demonstration of the government's commitment, and an important signal of confidence to developers, investors and financiers.
- Establishing the 'right to connect' to the electricity grid for renewable energy projects that meet technical, economic and other regulatory requirements.

- Establishing a one stop streamlined approvals process, and providing service guarantees for renewable energy projects that meet regulatory requirements.
- Implementing a 21st century "smart" power grid to support the development of new renewable energy projects, and prepare Ontario for new technologies like electric cars.

The proposed GEA builds on Ontario's earlier energy initiatives, including a bold plan to eliminate coal-fired power by 2014, the single largest climate change initiative being undertaken in Canada.

In addition to the proposed GEA, Ontario already offers a variety of programs to assist with the commercialization of new technologies for capturing energy conservation opportunities and for harnessing renewable energy. These programs:

- Provide loan assistance for demonstrating new technologies.
- Include business accelerator services to help start-up companies and links to venture capital firms, to help entrepreneurs to turn ideas into commercial products.
- Offer rebates for Retail Sales Tax paid on the purchase of building materials incorporated into eligible electricity generating facilities.

Full details of the proposed feed-in tariff rules can be downloaded at: <http://www.powerauthority.on.ca/fit/>. Until July 28, 2009 the Ontario Power Authority is also accepting comments on the proposed rules.