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Province, Utilities and Rural Landowners Must Work Together to Foster Renewable Energy Markets in Ontario

(GUELPH) – The Ontario government is focused on doubling its use of renewable energy by the year 2025, but to do so it must first pay closer attention to marrying its progressive policy with practical, on-the-ground implementation for those landowners struggling to generate additional electricity and keep the profits in Ontario.

“We need a stronger directive from government to the bureaucracy to make things work for us,” said Kris Stevens of the Ontario Sustainable Energy Association, one of a panel of moderators and speakers last week in Stratford who gathered to address a crowd of 250 farmers, rural landowners, government and industry representatives for a one-day forum presented by The Ontario Rural Council (TORC).

The purpose of the day was to discuss opportunities and barriers around renewable energy, both as an environmentally-safe alternative to fossil-fuel power generation and as an economic enabler for Ontario’s rural communities. Stevens’s comments summarized feedback from audience members around challenges that currently exist.

“The province has taken a leadership role in renewable energy by coming out with RESOP [Renewable Energy Standard Offer Program], which is considered a very progressive policy based on the successful European model for community and local landowner renewable energy generation,” noted TORC Executive Director Harold Flaming. “But what we’re hearing today from those who are ‘on the ground’ trying to work with it, is there are just too many barriers, including political barriers, that go along with the implementation of that program. Those disconnects are preventing it from being effective at the local level and a true contributor to our rural economies.”

The Ontario Power Authority’s Renewable Energy Standard Offer Program (RESOP), announced by the Ministry of Energy in 2006, applies to all independent renewable energy projects of up to 10 megawatts. It is designed to be a step forward toward clean energy in Ontario. And while the program carries a great deal of merit, the major obstacle for rural landowners pushing forward in developing their energy projects now lies in the reality of trying to gain access to the provincial power grid. Of particular concern to those developers in southwestern Ontario is a huge swath of territory stretching up to the Bruce Peninsula deemed the ‘Orange Zone’, severely limiting access and bringing things to a standstill for
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many local developers. In the case of wind energy, critics also cite as culprits the large multinational wind energy corporations that have come into Ontario and already scooped up precious grid access, only to take the profits out of country.

“There is significant ‘stranded investment’ in the Orange Zone,” said Jaret Henhoeffler of the Stratford/Perth Community Business Centre. “Developers who have invested significant sums in feasibility studies, leases, business case development, etc. are now unable to proceed with their projects because they can’t access the grid.”

Henhoeffler says there is no clear timeline, investment or plan to resolve the Orange Zone constraints, outside of the plans to increase capacity to handle the generation from nuclear-generating expansion.

The province’s commitment to nuclear power as an energy source hampers its perceived commitment to renewable energy moving forward, says Russ Christianson, a long-time co-operative business developer and principal of his own company Rhythm Communications. “The province has already designated a large percentage of their budget and the electricity grid for nuclear power. That’s why we’re having the kind of access issues we’re having for renewable energy. These are political barriers...not technical barriers.”

Harold Flaming of TORC said there is a need for collaborative discussion between the Ministry of Energy, Hydro One, Ontario Power Authority (OPA) and rural renewable energy project proponents in a bid to ensure government and its staff arrive at workable regulations and procedures so that current challenges in developing this sector can be resolved.

“Traditional mindsets must be made to understand that renewable energy is a viable option from a production, environmental and rural economic development perspective.

“Let’s make sure the additional electricity our rural landowners are generating for all Ontarians through their renewable energy projects can continue...and that the profits realized stay in Ontario to circulate through our local economies.”

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