

# **Financing Renewable Energy Projects**

**CICA – CF Market Brief**

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# Feed-in Tariff (FIT) Program

- *Green Energy and Green Economy Act, 2009* created the FIT Program, operated by the Ontario Power Authority (OPA) – in operation for ~18 months now.
- OPA is the power purchaser from generators under standardized 20/40 year agreements – a creditworthy customer upon which to finance and develop projects
- FIT Program will help Ontario achieve its announced Long Term Energy Plan, requiring \$87 billion in public and private sector investment to achieve
- Non-hydro renewables are intended to represent 10-15% of the supply mix by 2018, with over 10,000 MW of nameplate capacity

# State of FIT Program

- Since it's September 2009 launch, it's been like the Oklahoma Land Grab!
- >1,200 FIT Contracts issued to date, for 2,600MW of capacity – 1,530MW wind, 823MW Solar (rooftop and groundmount), 188MW hydro and 56MW bioenergy
- If all projects are built, likely represents over \$8 billion in total investment required
- There are currently >2000 active applications, representing ~ 11,000MW additional capacity (2/3 wind)
- For Ontario to reach its 10,000MW renewables goal, 7,500+MW additional must eventually be contracted/built, with an additional \$20-25 billion in investment required
- And this doesn't include the >23,000 microFIT offers and contracts (mostly residential rooftop), for 207 MW, requiring \$1+ billion to build, or the new CFIT program

# What's in FIT's Future?

- Lots of Changes – just as there have been since the start
  - Stratifications (ground mount microFIT)
  - modifications of requirements (“ability to connect”, extended Milestone Dates)
- Required two-year review of FIT Program
  - likely pricing reductions
  - new hurdles to eliminate applications, or a general moratorium?
- Transmission is a real limiter
  - can't build it if it can't connect – economic connection test changes?
- Political considerations
  - what will be the effects of a looming election campaign and promises

# Thank You

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# Aird & Berlis LLP and Randy Williamson



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As a partner of the firm, with over 25 years as a practising lawyer, qualified C.A., public company senior executive and three-time independent business owner/operator, Randy Williamson provides strategic advice to private companies, their owner/managers and strategic and financial investors, as well as public issuers, on acquisitions and divestitures, bank and subordinated debt and equity financings, and restructuring arrangements. Randy also helps businesses structure and negotiate shareholder, partnership, employment, joint venture, outsourcing, distribution and licensing arrangements. Randy has a particular interest in Ontario's growing clean technology and renewable energy sector (the 'clean economy'), and works on Aird & Berlis' India initiative, advising Canadian and Indian corporations on mutual opportunities.

Randy devotes substantial time to community organizations, including as founding Chair of Big Brothers Big Sisters Alumni; Chair of the Investment, Finance and Audit Committee and Council Member at St. James Cathedral, Toronto; Vice-Chair of York University's Alumni Board; Board and Investment Committee Member of the Toronto Atmospheric Fund; past Chair of the National Board of Big Brothers Big Sisters of Canada; past founding Board member of Ontario's Promise to Children and Youth; and past President of Advancing Canadian Entrepreneurship. Randy has been honoured with Queen Elizabeth II's Golden Jubilee Medal for Community Service and was twice Toronto's Big Brother of the Year.