

First Nations Energy Education Exchange Workshop

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Enabling Participation in the Energy Sector

- Funding Programs
 - Aboriginal Community Energy Plan
 - Education and Capacity Building
 - Energy Partnerships Program
- Procurement incentives and supports
 - Feed-In-Tariff (FIT)
 - Large Renewable Procurement

Aboriginal Community Energy Plan Program

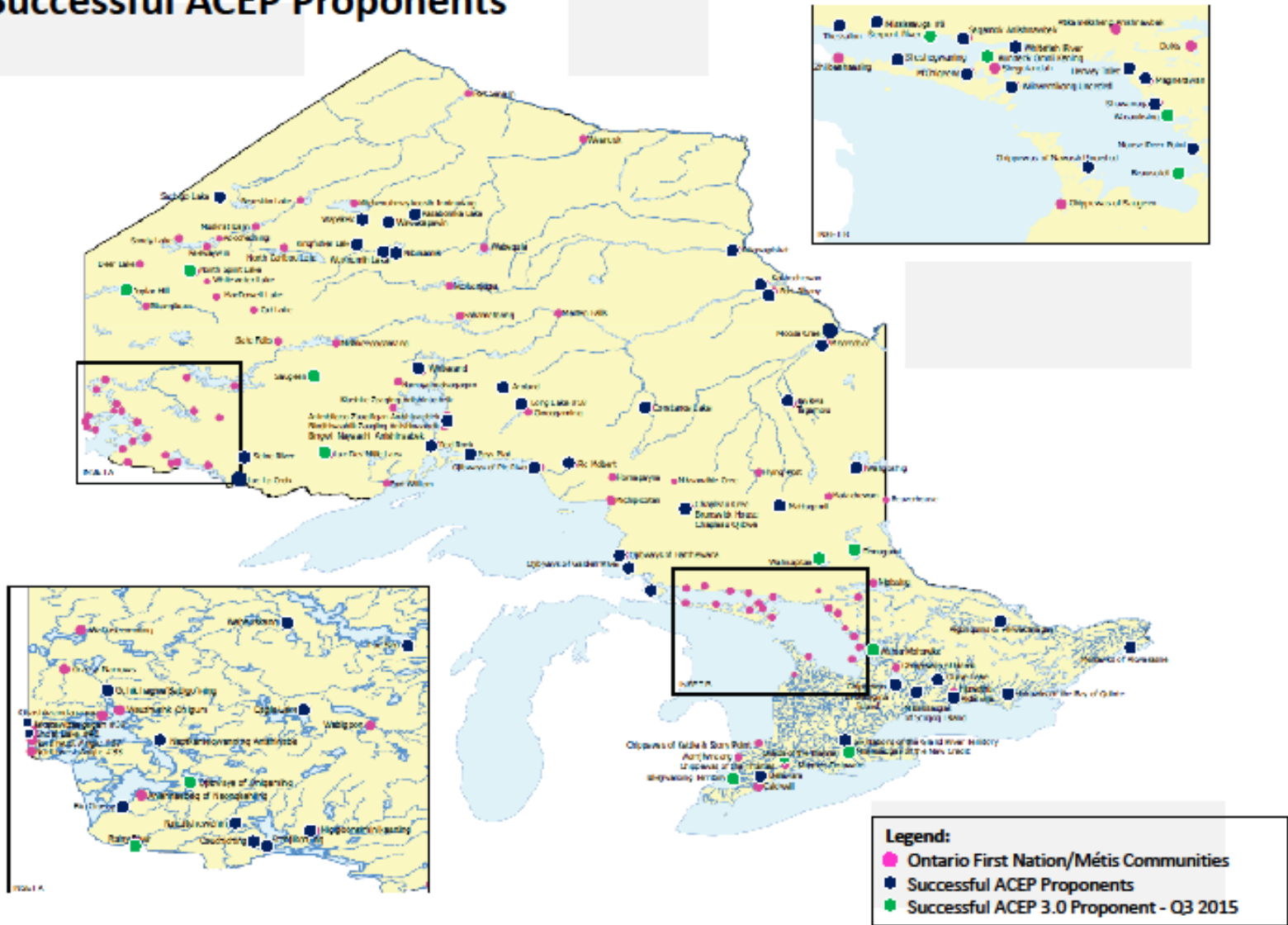
FUNDING FOR YOUR
NEW ENERGY PLAN:
UP TO **\$90,000**
PER COMMUNITY
2 YEARS TO COMPLETE THE
COMMUNITY ENERGY PLAN

FUNDING TO UPDATE YOUR
EXISTING ENERGY PLAN:
UP TO **\$25,000**
PER COMMUNITY
12 MONTHS TO UPDATE AN EXISTING
COMMUNITY ENERGY PLAN

REMOTE COMMUNITIES
ARE ELIGIBLE FOR UP TO **\$5,000** IN ADDITIONAL FUNDING

- The **Aboriginal Community Energy Plan (ACEP)** program assists Indigenous communities in funding the development of a community energy plan or updating an existing community energy plan.
- A community energy plan can help communities develop a comprehensive long-term plan that can include ways to use less electricity, manage energy costs, explore new opportunities, and help the environment.
- Since 2014, the ACEP Program has committed almost **\$7 M in funding** which supported **78 First Nation Communities across Ontario**, including remote, northern and southern First Nations, in developing or updating their community energy plans.
- The IESO is currently processing ACEP proposals submitted for the Spring 2016 submission round. The deadlines for the next evaluation round is October 7, 2016.

Successful ACEP Proponents



Education and Capacity Building Program

- The **Education and Capacity Building Program (ECB)** supports initiatives that provide education, build capacity, and develop the skills of Indigenous communities, municipalities, public sector entities and co-ops and to enhance their knowledge, awareness and participation in energy projects.
- To date, this program has supported 27 proposals across Ontario, 16 of which have an Indigenous component, as examples:
 - Northern Ontario First Nations Environment Conference
 - Training of community members on solar panel maintenance
 - Development and publishing of seven renewables themed interactive success case studies from Ontario Aboriginal communities and forums and interactive quizzes
- The IESO will be accepting new ECB Proposals later this year.



Energy Partnerships Program

- The **Energy Partnerships Program (EPP)** launched June 13th, 2016 and consolidates historical program offerings (e.g. AREF, ATF) while improving the ability of communities and organizations to develop renewable energy or transmission projects. The following table sets out a summary of the funding streams, Applicant Types and Project Types and funding amounts under the EPP for Indigenous communities.

FUNDING STREAMS	First Nation and Métis Communities	Maximum Funding Available
PARTNERSHIP STREAM Funding for the legal, technical and financial due diligence to explore Project Partnerships	FIT Projects	\$50,000
	LRP Projects	
	Transmission Projects	\$50,000 (per Community)
PROJECT DEVELOPMENT STREAM Funding for the soft costs associated with developing a renewable energy project	FIT Projects	<ul style="list-style-type: none"> \$75,000 for Single FIT Projects \$250,000 a for FIT Project Portfolio (4 or more FIT Projects)

Energy Partnerships Program

- The EPP will support the development of potential energy-based solutions through the **Remote Projects Development Sub-stream**. Funding will support Identified Remote First Nations Communities by assisting with costs associated with the development of projects to assist with reducing diesel dependency in the Identified Remote First Nations Communities. These communities are:
 - Fort Severn First Nation
 - Kiashke Zaaging Anishinaabek First Nation (Gull Bay)
 - Weenusk First Nation (Peawanuck); and
 - Whitesand First Nation;
- Under the Remote Projects Development Sub-stream, an Applicant may be eligible for funding for the costs (up to \$500,000) associated with undertaking work in respect of Remote Projects over a two year period.

Energy Partnerships Program

- The Application Period will begin on June 27th, 2016 and will accept Applications on a continuous basis. A schedule of Application review dates will be posted on the EPP website .
- The Program Rules and Funding Agreement have been posted on the EPP website, as well as other program materials such as FAQs.
- Applicants are strongly encouraged to review the Program Rules before submitting an Application. Applicants are encouraged to email or call the IESO should they have any questions regarding the Program or the submission process.
- Website: www.ieso.ca/epp
- Phone Number: 1-416-969-6344
- Email: EPP@ieso.ca

Tips for Submitting a Funding Application

- ✓ Review the Program Rules thoroughly, and ask questions if you are unsure about anything. We would be happy to answer any questions via email or telephone.
- ✓ Follow the Instructions on the Application Form, and complete every field that is required.
- ✓ Double-check you have attached every required document.
- ✓ Provide a clear Work Plan, Budget and Project Team. A clear outline of the work that will be done, the costs required for that work, and who will be completing the work will allow the Evaluation Team to have a clear understanding of what the funding will be used for.
- ✓ Remember, your Application or Proposal is the only information the Evaluation Team reviews, so make sure you are presenting them with the full description of what you are undertaking and how.
- ✓ Be aware of the timelines. Plan accordingly to ensure you will be able to submit all documents, and receive all the required signatures before the Application Deadline.
- ✓ Have clear success measures. What will the project accomplish and how will the funding allow you to achieve success with the project or initiative.

IESO Procurement Programs: Feed-in-Tariff and LRP

Feed-In-Tariff (FIT)

- Feed-In-Tariff (FIT)
 - Was introduced in 2009 with four iterations to date
 - A standard offer program with a set price dependent on fuel type
 - Iterations aim to keep costs to the rate payer down, apply feedback and lessons from previous procurements while maintaining policy objectives
 - Program is for generation projects connected to the grid
- Program divided into two streams - FIT and microFIT
 - FIT 1.0 included renewable energy projects greater than 10 kW
 - microFIT program is available for projects 10kW or less

FIT Evolution

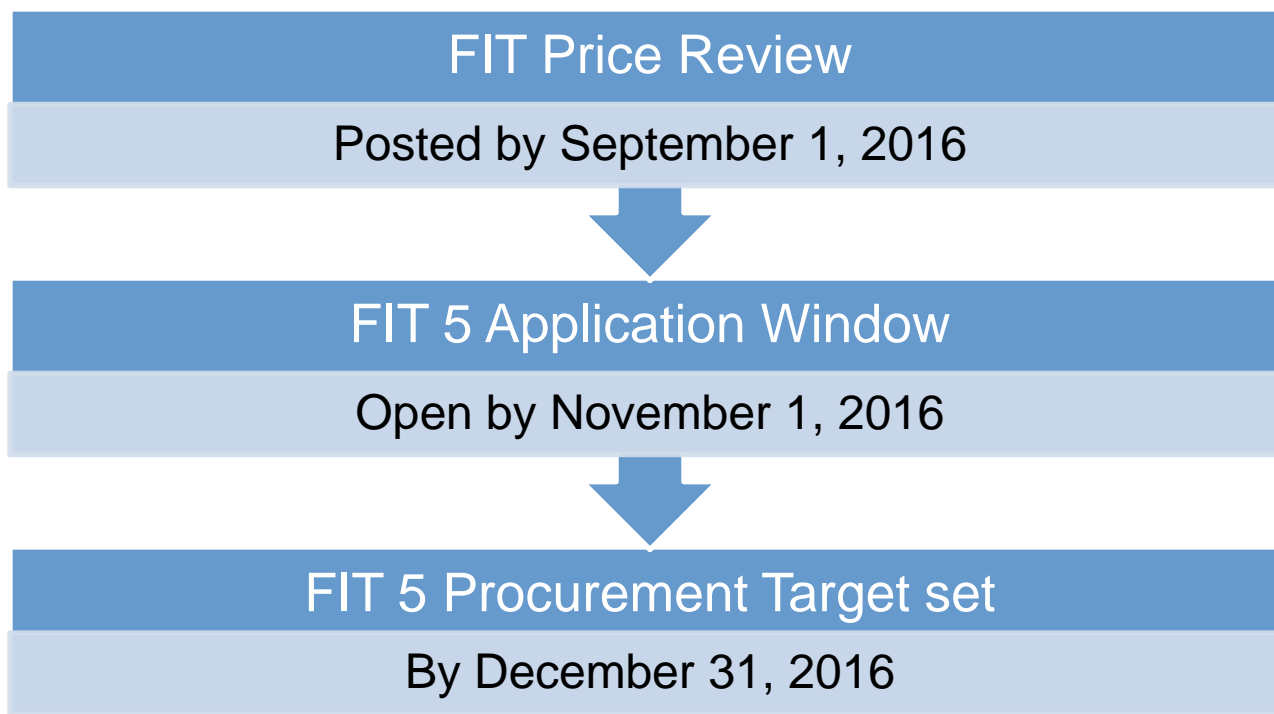
- Latest iteration of FIT 4.0 included the following support measures:
 - Security payments, required at several points in the program, set lower for projects controlled by an Aboriginal community
 - In addition to receiving the standard FIT price, Aboriginal projects receive an incentive or “price adder” in proportion to the percentage of equity ownership by the Aboriginal group
 - Priority points:
 - 2 priority points available for projects that receive an Aboriginal Support Resolution
 - 1 priority point for projects with Aboriginal Community Host
 - Contract Capacity Set Asides (CCSA)
 - Projects with greater than 50% Aboriginal participation qualify for the CCSA (a portion of the megawatts available in a given FIT window)
 - Addition of Extension of Milestone date for Operation for projects on First Nation land

FIT 4.0 Update

- FIT 4 procurement target: 241.4 MW
- Applications are currently under review by IESO
 - 1,702 applications totaling 496 MW
 - 1,196 applications, representing about 335 MW, have passed the completeness and eligibility stage
 - More than 74% are projects with Aboriginal, community, municipal or public sector participation or projects with municipal, Aboriginal or public sector hosts
 - More than 96% of application are for solar photovoltaic projects
- Successful applications are expected to be announced Q2 2016

FIT 5 Schedule

April 5, 2016 Minister's direction: at least 150 MW, plus any capacity that has become available due to FIT/ microFIT contract terminations



LRP I Background and Targets

- Large Renewable Procurement (LRP) was introduced in 2013 as a competitive procurement for projects greater than 500 kW
- Procurement targets are set by Ministerial Direction.



LRP I Engagement

- LRP I engagement process took place from summer 2013 to the end of 2014
- Included tailored engagement with Indigenous communities
 - Invitations were sent to each First Nation community to meet to discuss draft documents at both the RFQ and RFP drafting stages
 - Presentations and discussion at the Aboriginal Energy Working Group
- Additional engagement activities included:
 - Webinars and meetings in summer 2013 and winter 2014 in communities
 - Presentations to the former OPA Stakeholder Advisory Committee
- Written feedback was received from eight First Nation communities, Chiefs of Ontario and Métis Nation of Ontario
 - Additional feedback in support of Aboriginal community incentives was received from two industry organizations

Indigenous Participation Incentives and Recognition

- Mandatory requirement for proponents to engage with local communities
 - Community engagement plan
 - Meetings with project communities
 - Public community meetings
- Up to 80 rated criteria points were available for demonstrated community engagement over and above mandatory requirements, including Aboriginal support resolutions
- An additional 20 rated criteria points for projects which had 10% or greater Aboriginal equity participation
- Aboriginal adder for successful projects which had 10% or greater Aboriginal equity participation
- Extension of Milestone date for operation for projects on First Nation land

LRP I Process

RFQ

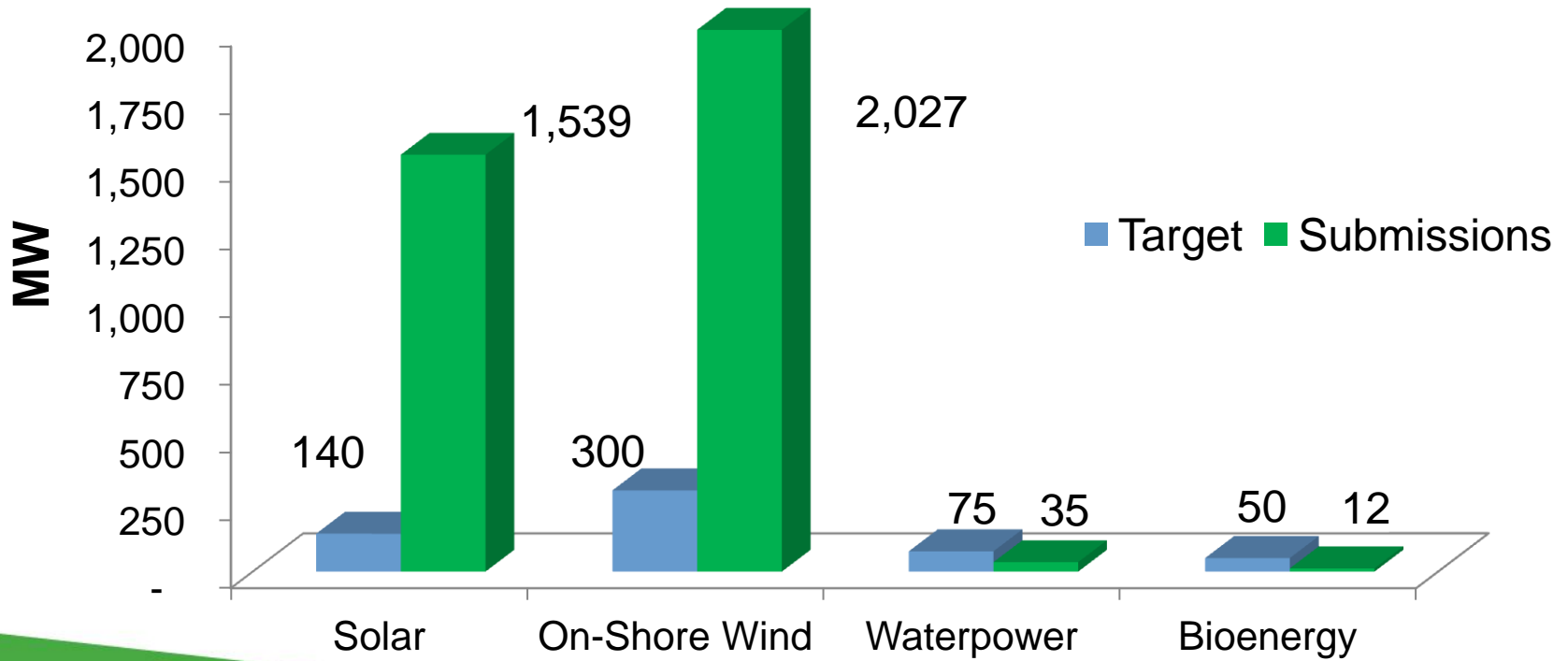
- 70 RFQ Submissions received September 2014
- 42 Qualified Applicants
- Over 8,700 MW of interest
- Qualified Applicants posted November 2014

RFP

- 33 Qualified Applicants registered
- 103 Proposals submitted September 2015
- 3,613 MW of projects submitted
- Contracts awarded March 2016

LRP I Proposals

- Generally oversubscribed: 3,613 MW of proposals submitted for a 565 MW procurement target
- Undersubscribed for waterpower and bioenergy
- No rooftop solar PV proposals



LRP I Results

- 16 contracts offered equal to 454.885 MW
- 13 projects (319.885 MW) have a First Nation partner
 - Five with more than 50% First Nation participation
 - 15 unique communities are participating
 - Two projects have six remote communities as a joint partner
- Contracts have resulted in much lower prices
 - Five wind contracts totalling 299.5 MW, with a weighted average price of 8.59 cents/kWh
 - Seven solar contracts totalling 139.885 MW, with a weighted average price of 15.67 cents/kWh
 - Four hydroelectric contracts totalling 15.5 MW, with a weighted average price of 17.59 cents/kWh

Aboriginal Partnership Projects

By Contract Type

	# of Contracts	MW
FIT	561	865.8
LRP	13	319.9
Other*	3	492.3
Total	577	1678

*OPG partnerships with Moose Cree, Taykwa Tagamou and Lac Seul First Nations

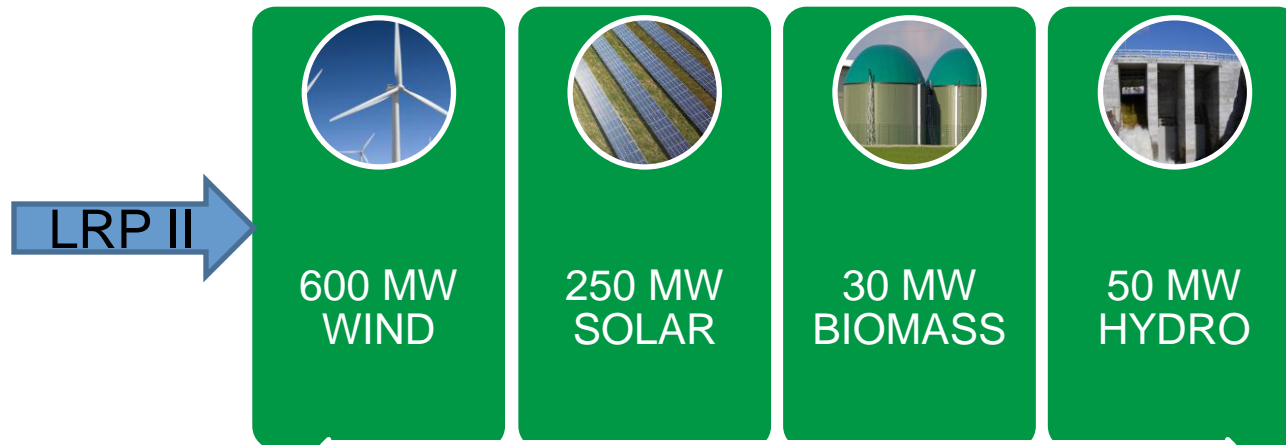
FIT contracts by Fuel Type

Fuel Type	Contracts	MW
Hydro	11	74.4
Solar	541	192.4
Wind	9	599
Total	561	865.8

Source: IESO, Progress Report on Contracted Electricity Supply (Q4, 2015)

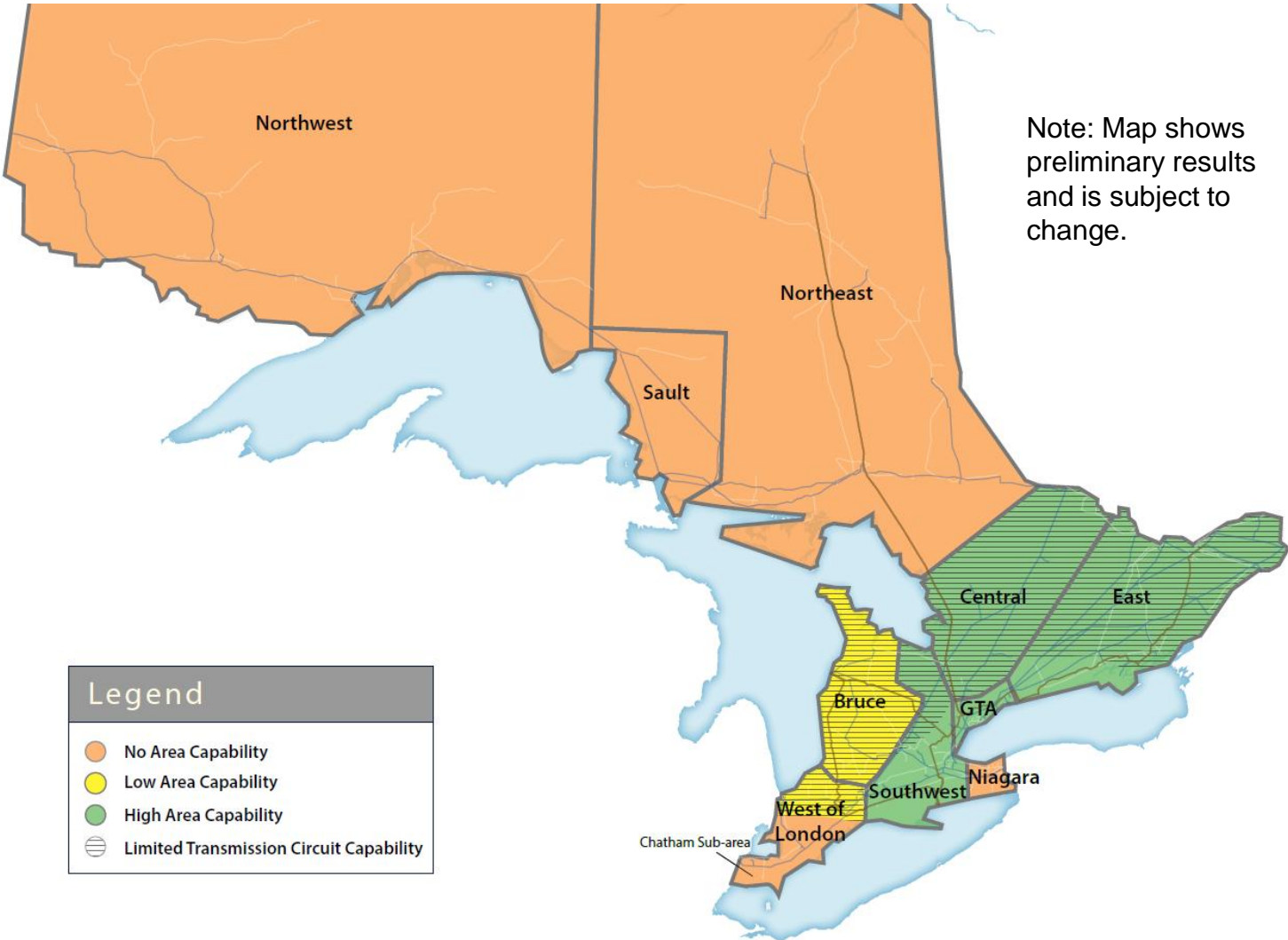
LRP II Procurement Timelines and Targets

- Launch LRP II RFQ by **August 1, 2016**
- LRP II RFP contract offer announcement by **May 1, 2018**



Note: On June 10 the IESO was directed to add 50 MW of leftover capacity from previous procurements to the LRP II procurement target. The overall target is now 980 MW.

Early LRP II Connection Availability

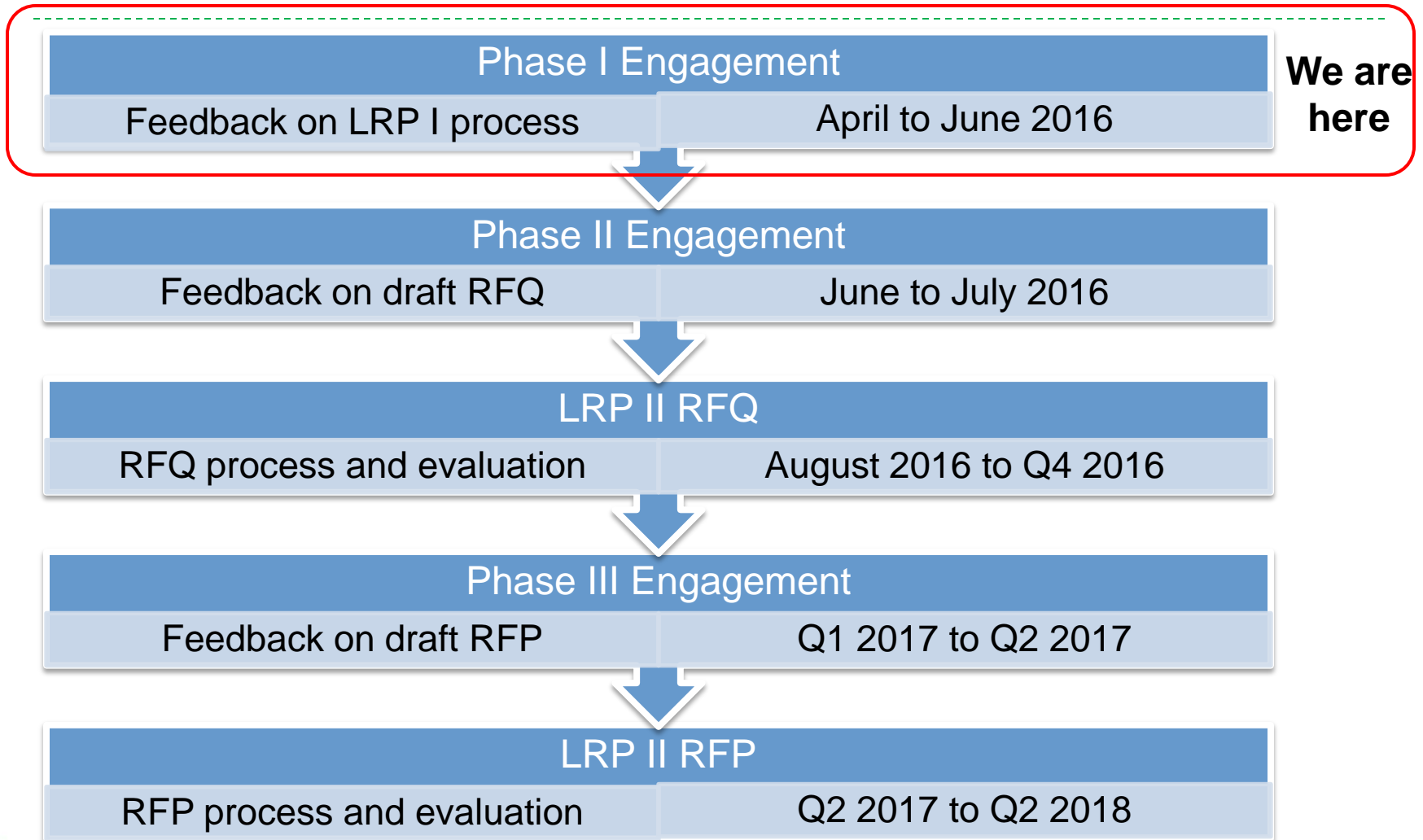


Note: Map shows preliminary results and is subject to change.

Legend

- No Area Capability
- Low Area Capability
- High Area Capability
- Limited Transmission Circuit Capability

Anticipated LRP II Timelines



LRP II Engagement

Phase I: Review of LRP I process

Webinar to provide overview of LRP I and the draft Engagement Plan	March 2016
Launch on-line survey to seek input on: <ul style="list-style-type: none">• What worked well and what were some of the challenges in the LRP I process, and• Draft Engagement Plan for LRP II RFQ and RFP development	March/April 2016
Targeted outreach with First Nation & Métis communities	March/April 2016
Survey to submit input on LRP I process and draft Engagement Plan closes	April 2016
IESO to summarize and respond to survey results related to the draft Engagement Plan – including how input was considered in final Engagement Plan	May 2016
Post final Engagement Plan	May 2016

LRP II Engagement

Phase II: Feedback on draft LRP II RFQ

IESO post draft LRP II RFQ for review and comment, as well as a summary of survey results related to the LRP I RFQ and how that input was considered in the draft LRP II RFQ	June 2016
Other outreach efforts as required	June/July 2016
Webinar(s) to provide overview of draft LRP II RFQ	June or July 2016
Comments due on draft LRP II RFQ	July 2016
IESO to post and respond to feedback received – including how feedback was considered for final LRP II RFQ	Q3 2016

LRP II Engagement

Commence Phase III: Feedback on draft LRP II RFP

IESO to post draft LRP II RFP for review and comment	Q1 2017
Webinar(s) to provide overview of draft LRP II RFP	Q1 2017
Other outreach efforts as required	Q1 2017
Comments due on draft LRP II RFP	Q2 2017
IESO to post and respond to feedback received – including how feedback was considered for final LRP II RFP	Q2 2017

LRP II First Nation and Métis Engagement

- IESO has been continuously gathering and recording feedback on LRP I over the past year
- In addition to activities under the broad engagement plan, the IESO is looking to gather specific feedback from Indigenous communities who participated in LRP I
- Invitations have been sent to all First Nation communities and to individuals who we are aware worked with communities during the LRP process (e.g. lawyers, consultants, etc.)
 - Offer to meet to gather feedback on experiences with LRP I and suggestions for LRP II
 - Meetings will include and encourage feedback on all phases of engagement

What We Have Heard So Far

- Many proponents approached Indigenous communities close to the RFP Submission deadline, leaving little time for communities to:
 - Evaluate proposals
 - Build community support
 - Negotiate partnerships
 - Obtain necessary Chief and Council support
- Financing was difficult to obtain for small equity positions
- Having a public list of qualified proponents was helpful for communities to know that potential partners are viable
- Transmission availability needs to be more transparent

Thank you!