

First Nations Energy Education Exchange Workshop

September 13, 2016

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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 First Nation 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 **\$8 M in funding** to support **88 First Nation Communities across Ontario**, including remote, northern and southern First Nations, in developing or updating their community energy plans.
- The IESO is currently reviewing ACEP proposals which were submitted for the Spring 2016 submission round. The deadline for the next evaluation round is October 7, 2016.

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
 - The development of an intensive training program on Duty to Consult through Trent University
- The ECB program will open again this fall.



Energy Partnerships Program

- The **Energy Partnerships Program (EPP)** launched June 13th, 2016 and consolidates historical program offerings such as MEPP, AREF and ATF

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 IESO is currently reviewing applications received in the summer of 2016. The next application deadline is November 4, 2016.
- The Program Rules and Funding Agreement are posted on the EPP website, as well as other program materials such as FAQs.
- 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

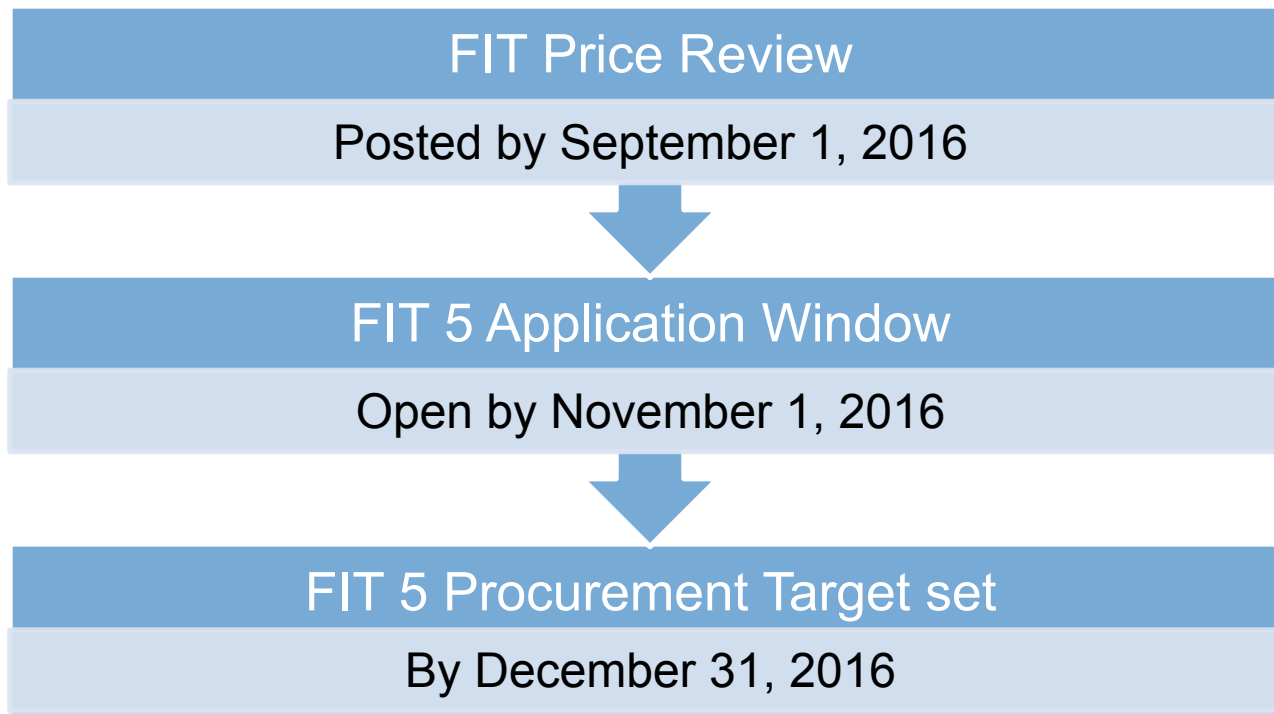
- Latest iteration of FIT 4.0 included the following support measures:
 - Security payments, required at several points in the program, set lower for projects controlled by an Aboriginal community
 - In addition to receiving the standard FIT price, Aboriginal projects receive an incentive or “price adder” 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 Results

- FIT 4 procurement target: 241.4 MW
- Applications are currently under review by IESO
 - 1,702 applications totaling 496 MW
 - 936 projects were offered contracts
 - Over 17% of the MW offered had more than 50% Indigenous participation

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.



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 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	657	907.3
LRP	13	319.9
Other*	3	492.3
Total	673	1719.2

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

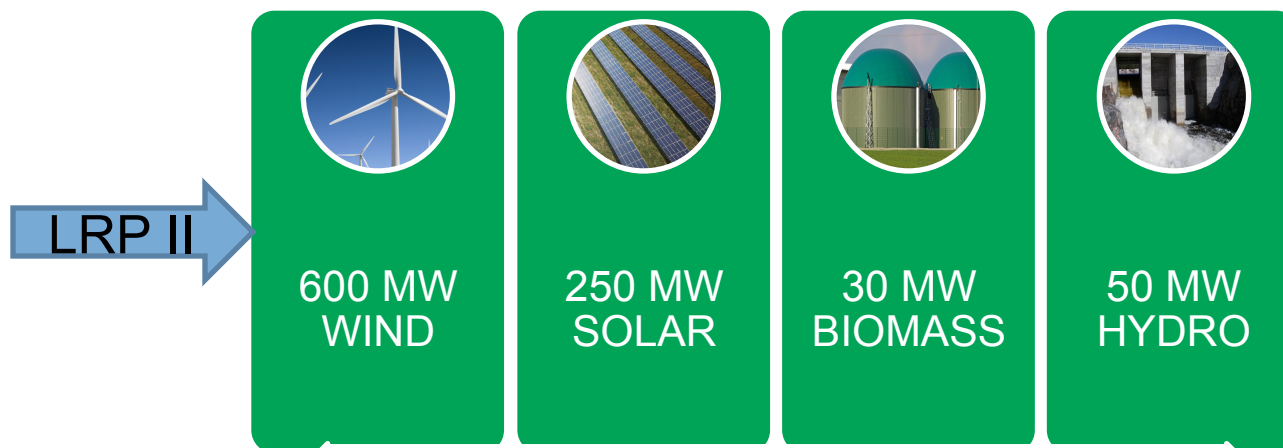
FIT contracts by Fuel Type

Fuel Type	Contracts	MW
Hydro	11	74.4
Solar	637	233.9
Wind	9	599
Total	561	907.3

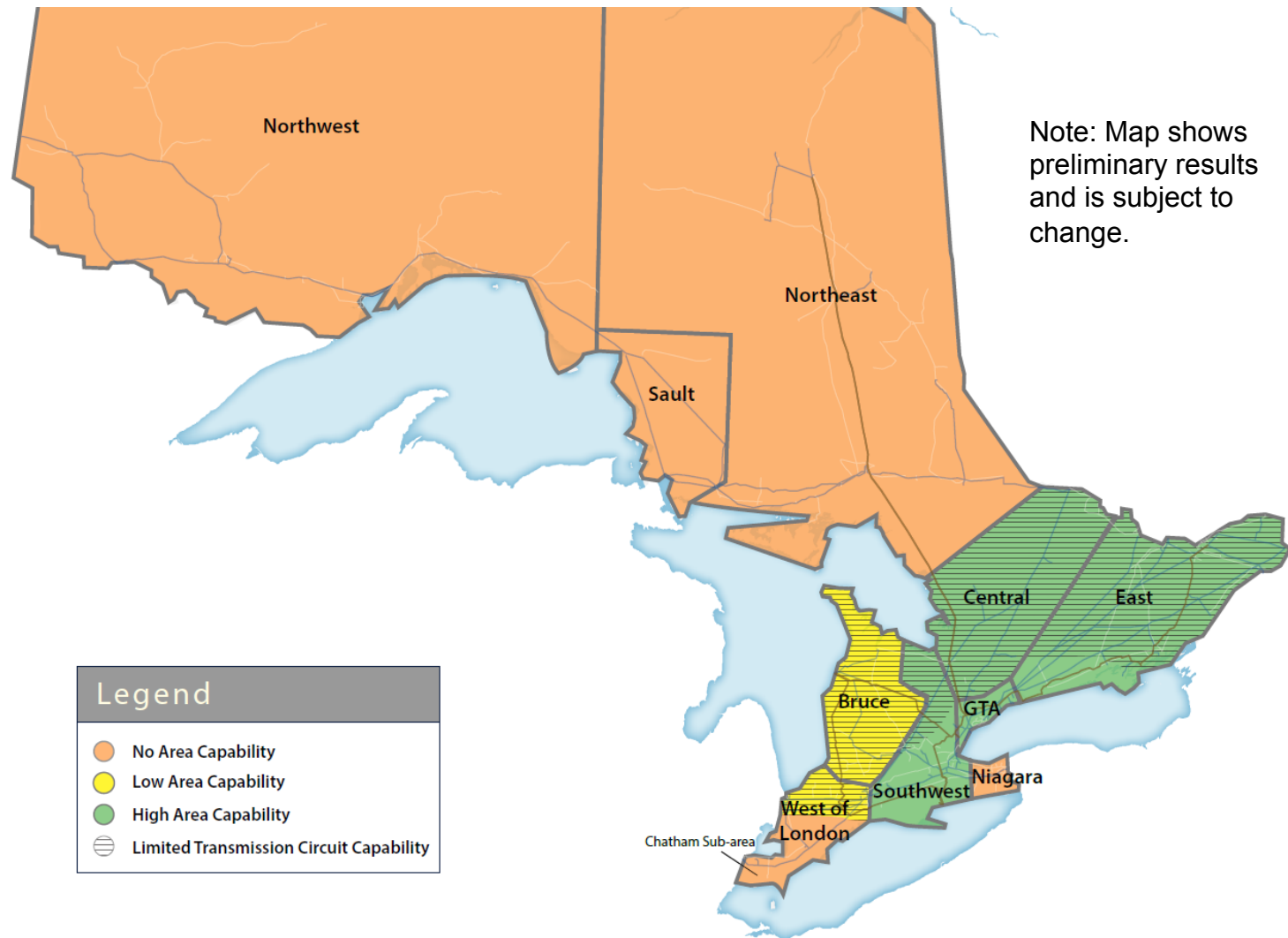
Source: IESO, Progress Report on Contracted Electricity Supply (Q4, 2015)

LRP II Procurement Timelines and Targets

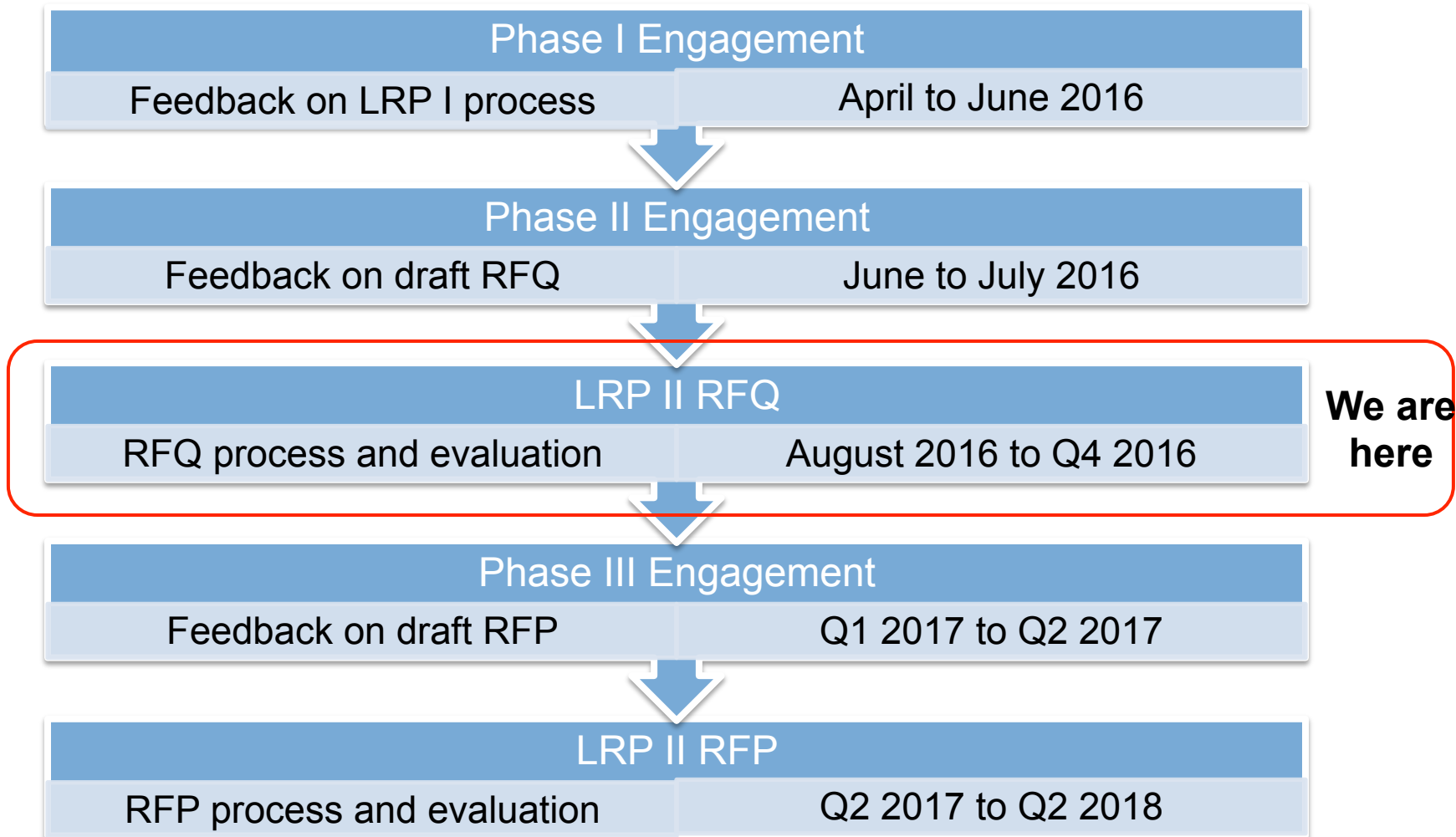
- Launch LRP II RFQ by **August 1, 2016**
- LRP II RFP contract offer announcement by **May 1, 2018**



Early LRP II Connection Availability



Anticipated LRP II Timelines



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

Other Upcoming Energy Initiatives

- Long Term Energy Plan
 - Ministry of Energy will be engaging on the development of the Long Term Energy Plan in the fall of 2016
- First Nation Electricity Rate
 - Ontario Energy Board has been directed to look at the development of a First Nation Electricity Rate

Thank you!