

Canadian Solar Industries Association (CanSIA) submission to the Ontario Ministry of Finance 2020 Budget Consultations

January 22, 2020

About us:

Founded in 1992, the Canadian Solar Industries Association (CanSIA) works on behalf of almost 300 member companies including manufacturers, installers, project developers, engineers, consultants, and a variety of other companies that directly contribute to solar projects in Ontario and across Canada.

CanSIA strongly supports your Government's Made In Ontario Environment Plan, which emphasizes investment, competition, and innovation, and we believe that solar has a critical role to play in lowering electricity bills for Ontarians, creating local jobs, and empowering consumers through choice.

The global average cost solar energy has fallen by approximately 90% since 2009.¹ Last year's Alberta Ministry of Infrastructure public power auction procured 94 MW of solar at an average price of just 4.8 cents per kWh, which is cheaper than natural gas generation.

That's why our industry is seeking red tape reductions and market access, not incentives or subsidies.

Specifically, we would like for this forthcoming budget to address 3 key regulatory barriers to the growth of Ontario's solar industry:

1. Enable Third Party Ownership of solar:

- The current restriction on Third Party Ownership prevents households and businesses who may lack the upfront capital to purchase a rooftop solar system from leasing a system from a third party in order to benefit from the savings on their electricity bills. It also prevents innovative businesses looking to offer these types of solutions from investing in our province.
- 3rd party ownership models are proven and well-established throughout North America, and there are many options available for ensuring that consumers are protected. We are aware that removing current restrictions on third-party ownership of net metered generation is a particularly high priority for Ontario's Class B commercial and industrial consumers, who do not have access to the ICI program, and we see this is a major opportunity to unlock savings for these consumers.

¹ Lazard Levelized Cost of Energy and Levelized Cost of Storage 2019 – Available from:
<https://www.lazard.com/perspective/LCOE2019>

2. Enable Virtual Net Metering

- Virtual Net Metering, also known as Community Solar, enables customers of all types and sizes who may lack access to a suitable roof, or the up-front capital to invest in a solar system, to purchase solar electricity credits without the need to install a solar system on their home or business. The solar energy can be generated at a suitable site near the consumers – where it makes sense for the municipality, and where it provides the most benefit to the grid. Again, Virtual Net Metering is a tried and tested model that delivers real savings for households and businesses.

3. Remove the 1% Net Metering Limit

- The Ontario Distribution Code (see Section 6.7.2) currently permits LDCs to restrict net metered solar energy to one percent (1%) of the distributor's peak demand. This limit was arbitrarily set by the OEB in 2005, and is not supported by any evidence or industry best practices. We believe that this arbitrary 1% limit is fast approaching in several LDC areas, and once reached, consumers in these regions will be needlessly prevented from connecting rooftop solar to the grid. We therefore recommend that your Government launch a review of this section of the Distribution Code, with a view toward replacing the current 1% limit with one based on evidence and reflective of technological advances in solar PV system monitoring and control.

Right now, the Government of Ontario has an opportunity to make simple, common-sense regulatory changes that will empower Ontario families and businesses to make a choice on a cheaper, safer and reliable form of energy.

Ontario has already taken major steps forward with the Environment Plan in supporting businesses that invest in clean technology and lower energy bills. Ontario's solar industry continues to urge the government to go further in cutting the red tape that is preventing businesses and families from taking advantage of the energy cost savings that solar technology can deliver.

We strongly believe that enabling third party ownership of solar and virtual net metering, and removing the arbitrary 1% net metering cap, will empower families and business owners across Ontario to lower their energy bills and will create thousands of new jobs in the skilled trades.

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