



Renewable Energy Standard Offer

June 2007

Agenda

- Purpose of Standard Offer Contract
- Eligibility Requirements
- Transmission Constraints
- Contract Pricing
- Metering Requirements and Payment
- Contract Provisions
- Phased Projects
- Incremental Projects

Purpose of SOC

- Make it easier for the operators of small renewable energy generating facilities
- Contribute to Ontario's electricity supply by providing power to their Local Distribution Company
- Receive payment for the power they provide.
- Designed to promote renewable electricity generation projects that deliver value to the Ontario ratepayer

Eligibility

- Be located in Ontario
- Have a Gross Nameplate Capacity of no more than 10,000 kW
- Be connected (directly or indirectly) to a Distribution System
- Have a connection voltage of no more than 50 kilovolts

Eligibility *continued*

- Be metered at the Generator's expense
- Include a completed Connection Impact Assessment
- Provide evidence that any required environmental assessment is underway
- Provide evidence of ownership of the property in question

Transmission Constraints

- The OPA Website will designate areas as being “Green Zones”, “Yellow Zones” or “Orange Zones”.
- Applications for Projects that are larger than 10 kW, or larger than 250kW in the case of Farm-Based Projects, and are located in Orange Zones will not be accepted until transmission capacity is made available.

Transmission Constraints

continued

- Acceptance of Applications for Projects located in Yellow Zones may be subject to certain limitations based on transmission constraints.
- Acceptance of Applications for Projects located in Green Zones will not be subject to any limitations based on transmission constraints.

Contract Pricing

- All Generators, except PV (solar) Generators, will be paid a Base Rate of 11.0 cents per kWh for Electricity actually delivered under the Contract.
- In subsequent years, 20 percent of the Base Rate will be indexed for inflation according to the year-over-year change in the CPI.

Contract Pricing *continued*

- Projects that can reliably operate during On-Peak Hours will be eligible for an additional 3.52 cents per kWh for Electricity actually delivered during those On-Peak Hours.
- PV (solar) Projects paid 42.0 cents per kWh but will not be eligible for inflation indexation or the peak-hour premium.
- Program pricing will be reviewed periodically and may be modified, but modifications will not be retroactive.

Metering and Payment

- The Generator is responsible for coordinating with the LDC to determine the appropriate metering configuration and requirements.
- The Generator is also responsible for the cost of connection and metering as determined by the LDC.
- Contract Payments will be based on the Electricity delivered from the Contract Facility to the Connection Point and successfully injected into the Distribution System or Load Customer's electrical system.

Contract Provisions

- A Contract will provide for a Payment Period of 20 years.
- Within three years of the execution date of the Contract, the Commercial Operation Date of the Contract Facility must be declared.
- Generators are not required to post security deposits. The OPA will pay only for Electricity delivered to the Distribution System or Load Customer.

Contract Provisions *continued*

- The Generator is solely responsible for all applicable Connection Costs, metering costs and all other related costs.
- The Generator is obliged to comply with all applicable laws, regulations, licenses and permits.
- The Contract may be terminated if information is found to be inaccurate in a material respect.
- The Contract will include arbitration and other dispute resolution mechanisms.

Phased Projects

- The Program allows for Renewable Generation Facilities to be completed in two or more phases.
- Only those phases of a Project that achieve Commercial Operation within three years of the execution date of the Contract will be eligible for payments under the Contract.

Incremental Projects

- The Program allows for Incremental Projects that either increase Electricity output from existing facilities or bring facilities back into service. An Incremental Project can be eligible for the Program if the combined installed generating capacity of the pre-existing facility and the Incremental Project does not exceed 10,000 kW.
- In any case, only the Electricity generated and delivered from the incremental capacity will be eligible for payment under the Contract.

QUESTIONS?