

FIT Program Update

November 19, 2009

Summary of changes to the FIT Rules, contract and standard definitions

FIT Rules (version 1.2)

Section	Change	Description/Explanation
2.1(a) (iv)	<p>Solar photovoltaic (PV) projects that are not rooftop facilities and that have a contract capacity greater than 100 kW, must not be located on:</p> <ul style="list-style-type: none">• Canada Land Inventory (CLI) Class 1 soils, CLI Class 2 soils, or CLI Class 3 soils that have not been designated on the FIT Program website as Class 3 available soils, unless any such lands were zoned by the applicable municipality to permit non-agricultural uses as of October 1, 2009, or• specialty crop areas.	<p>On October 30, 2009, the OPA published guidelines on the restrictions for ground-mounted solar PV projects located on prime agricultural lands, including an exemption for lands re-zoned by municipalities as non-agricultural as of October 1, 2009. This exemption is now included in the FIT Rules.</p>
2.1 (b)	<p>For any single property, the total gross nameplate capacity of all solar PV generating facilities participating in the FIT Program and located on such property may not exceed 10 MW.</p>	<p>This rule is intended to restrict multiple 10 MW projects from being located on the same property, as well as limiting total project size to 10 MW.</p>
2.1 (c)	<p>With respect to solar PV projects, only one rooftop facility shall be permitted on any single property.</p>	<p>Only one FIT application for rooftop solar PV will be allowed for each property.</p> <p>This means that more than one project can be located on the same property (for example, multiple rooftop projects on different buildings), provided the total capacity of the projects located on the property is reflected in a single application and all the projects share a common connection point.</p>

		This rule is intended to encourage optimal project size for the purpose of determining the appropriate contract price.
3.1(c)	IESO authorization letter and LDC authorization letter combined into one authorization letter.	This is intended to simplify administration.
3.1(e)	Definition of “access rights” moved into the body of the FIT Rules. The section now includes specific examples of what the OPA considers acceptable evidence to demonstrate site access.	The change is designed to clarify the requirement and assist applicants in submitting a complete application.
3.1(e)	Definition of access rights relating to federal Crown or “reserve” lands included in the body of the FIT Rules. The section now includes specific examples of what the OPA considers acceptable evidence to demonstrate site access on federal Crown or “reserve” lands.	The change will assist applicants when submitting a complete application relating to federal Crown or reserve lands.
3.1(g)	Solar PV projects greater than 100 kW must either provide in their application package: <ul style="list-style-type: none"> (i) a CLI map showing the site and the project location, or (ii) a municipal zoning map and written confirmation from the municipality’s chief planning official or clerk certifying that the site was entirely zoned for non-agricultural purposes as of October 1, 2009. 	This evidence is required to show that the project meets the eligibility criteria set out in section 2.1(a)(iv).
3.2(b)	Construction of the connection asset must have commenced by September 24, 2009 by or on behalf of the local distribution company. For greater certainty, physical construction does not include engineering or design work.	To provide clarification on what projects are not required to rescind their impact assessments.
5.1(b)	Exception to the 60-day target time added to provide the additional time needed to process applications received when the ECT is imminent or in progress for the applicable region.	The TAT and DAT will be “paused” following the ECT start date, to allow for coordination of the contract capacity being allocated by the two processes (TAT and ECT).

		FIT applications will continue to be accepted throughout the TAT pause; however, their evaluation may not begin until after the pause has ended and the TAT process has resumed. This could affect the 60-day response time for applications submitted during the pause period.
5.5(c)	Provision added to the FIT production line rules to address the circumstance where the application security is not being renewed by the issuing bank.	To ensure that application security is properly maintained throughout the application and contract processes.
6.4(c)	<p>Provisions added to the domestic content rules to permit capacity allocation exempt (CAE) facilities to elect to have an accelerated milestone date for commercial operation and a corresponding domestic content requirement.</p> <p>CAE facilities may, for purposes of affecting the minimum required domestic content level, elect to have a milestone date for commercial operation of December 31, 2010 for solar PV projects and of December 31, 2011 for wind projects.</p>	<ul style="list-style-type: none"> Capacity allocation exempt projects are not subject to program launch rules. As a result, they are not able to adjust their milestone date for commercial operation. This means that they are not eligible for the initial domestic content level, since the level is set based on the milestone date for commercial operation – three years for solar and wind projects. <p>This rule change will allow solar PV and wind CAE projects to elect to adjust their milestone date for the purpose of qualifying for the initial domestic content level.</p> <ul style="list-style-type: none"> All CAE facilities, including those that have already submitted an application, will be contacted directly during the application review process to give them the opportunity to elect to have an earlier milestone date for commercial operation.
13.2(b)	Deleted the prohibition against the resubmission of rejected launch applications. This means that applications submitted during program launch and rejected because of incompleteness may be resubmitted during program launch.	This rule change will help ensure that quality projects and applications are submitted.

13.7	Document posted on the FIT Program website setting out enhanced transition options incorporated by reference into the FIT Rules.	On October 30, 2009, the OPA posted enhanced transition options for existing projects and these needed to be referenced in the Rules.
13.8(b)	<p>New rule that allows projects submitting COD acceleration days to determine their domestic content level based on the number of COD acceleration days that are submitted, regardless of the exact date the contracts are issued.</p> <p>The minimum required domestic content level for launch applications that:</p> <p>(i) specify COD acceleration days, and (ii) are offered FIT contracts subject to the special terms and conditions set out in Exhibit C,</p> <p>shall be determined as though the FIT contract was issued on December 24, 2009.</p>	To allow for equal treatment of launch applications that proceed to contract and to provide certainty to developers with respect to their required domestic content level.
Exhibit A	Form of letter of credit revised to contemplate a different person applying for the letter of credit than the FIT program applicant.	To provide greater clarity to the OPA in approving letters of credit.
Exhibit B	Conforming changes made to production line confirmation, as well as clarification of obligation to maintain application security while in the FIT production line.	To ensure that application security expiry dates can accommodate extended timelines as a result of being in the production line.
Exhibit D	New exhibit introduced with special terms and conditions applicable to CAE facilities requesting an accelerated milestone date for commercial operation.	Refer to explanation of FIT Rules change 6.4(c) above.

FIT Contract (version 1.2)

Article	Change
Cover page	FIT contract cover page reorganized.
1.7	IESO Market Rules section redrafted to better define the process for requesting and agreeing to amendments to the FIT contract as a result of material IESO Market Rule amendments. Substantive rights of suppliers under this section unchanged.
2.10	Environmental attributes (EAs) language revised to clarify that the OPA is only entitled to EAs associated with the contract facility <i>during the contract term</i> . EAs relating to the period of time after the contract term belong to the supplier.
5.4(a)	Provision expanded to address possible expiry of letter of credit.
Exhibit A	Each possible type of Exhibit A included as a separate page. No substantive changes.
Exhibit B	Escalation percentage renamed “percentage escalated” to provide greater clarity.
Schedule 2	Placeholder inserted for Schedule 2, where applicable.

Standard Definitions (version 1.2)

Definition number	Change
205	Renewable fuel definitions revised to incorporate by reference the definitions set out in Ontario Regulation 328/09.
214	For greater clarity, a building or structure will be considered to have a principal purpose of supporting a solar PV installation or providing shelter from the sun where the facility is located on a part of the building or structure that would not reasonably have been constructed in the absence of the solar installation. This means, for example, that solar PV car park shelters are not considered to be rooftop installations.
222	Defined term “location” renamed “site”.
172	On-peak hour definition revised to be relative to local time rather than Eastern Prevailing Time.