

Environmental Registry of Ontario

Mathew Peltier
Ministry of Energy, Energy Supply Policy Division
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Toronto, ON
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December 17, 2023

Re: Consultation on proposed amendments related to the treatment of corporate power purchase agreements – [ERO #019-7853](#)

Dear Mathew Peltier,

The Atmospheric Fund (TAF) appreciates the opportunity to comment on the proposed amendments to O. Reg. 429/04 related to the treatment of corporate power purchase agreements (PPAs). TAF is a regional climate agency that invests in low-carbon solutions in the Greater Toronto and Hamilton Area. Ontario is undergoing an energy transition, and we recognize the importance of promoting new clean electricity resources to meet the province's evolving needs in the coming years. We welcome these amendments and commend Ontario's commitment to fostering clean energy growth. These changes demonstrate a positive step toward removing unnecessary barriers to energy participation and incorporating new renewables into the grid, however, the implementation process must safeguard against potential challenges.

TAF supports the proposed amendments in principle because they will help facilitate greater investment in renewable energy in Ontario. However, we note that the proposal only addresses barriers to PPAs for Class A customers and will not increase accessibility or reduce barriers to energy participation for residents and or small-to-mid-size businesses. Therefore, we propose that further action be taken to ensure that all customers are able to access similar renewable energy investment opportunities. For example, the province could expand the current community net metering pilot program (O. Reg 679/21) to a province-wide program and improve the regulation using lessons learned in the pilot phase. Expanding PPAs or similar opportunities to all customer rate classes would ensure that energy generation can be built at the scale and locations that are most efficient for ratepayers. By eliminating unnecessary regulatory restrictions, this approach can facilitate a more dynamic and responsive energy system.

While we are supportive of the proposed amendment, we'd also emphasize that establishing a viable PPA pathway is crucial to accelerating the introduction of new renewables and displacing gas-fired generation. These changes alone are insufficient to meet future energy needs as we transition to a net-zero grid. In light of the [IESO's announcement of a 5,000 MW target for non-emitting generation](#), we believe that corporate PPAs can play a role in supplementing this initiative and should be additional to the 5,000 MWs planned for the upcoming stages of procurement.

We emphasize the importance of ensuring that the proposed amendment does not lead to an unreasonable shift of the Global Adjustment (GA) burden onto Class B customers. While we recognize the value in incentivizing the province's largest electricity users to lower consumption during periods of peak demand on the grid, the GA is [largely comprised of non-peaking resources](#).

The changes implied by the proposed amendments should be in alignment with and complementary to the existing Clean Energy Credit (CEC) program. This requires ensuring that the design of both program frameworks is compatible and that environmental attributes associated with non-emitting generation are not double-counted across the programs. In our view, this requires ensuring that any CECs generated by a PPA project are either bundled with the PPA or retired. Once underway, continuous evaluation of both programs will provide insight into their effectiveness and coordination.

TAF welcomes the proposed amendments as an opportunity to advance the adoption of clean energy and reduce emissions across Ontario. However, we advise that the government give careful consideration to how to safeguard against unreasonable cost allocation shifts, work to promote/encourage greater equity of access to PPAs, and ensure compatibility with existing clean energy programs. We appreciate the opportunity to provide feedback and look forward to continued collaboration for a cleaner energy future for the province.

Sincerely,

Bryan Purcell



VP of Policy & Programs
The Atmospheric Fund

About the Atmospheric Fund

The Atmospheric Fund (TAF) is a regional climate agency that invests in low-carbon solutions for the Greater Toronto and Hamilton Area (GTHA) and helps scale them up for broad implementation. Please note that the views expressed in this submission do not necessarily represent those of the City of Toronto or other GTHA stakeholders. We are experienced leaders and collaborate with stakeholders in the private, public and non-profit sectors who have ideas and opportunities for reducing carbon emissions. Supported by endowment funds, we advance the most promising concepts by investing, providing grants, influencing policies and running programs. We're particularly interested in ideas that offer benefits in addition to carbon reduction such as improving people's health, creating local jobs, boosting urban resiliency, and contributing to a fair society.