

Ministry of Energy

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MC-2010-3317

NOV 26 2010

Mr. Colin Andersen
Chief Executive Officer
Ontario Power Authority
1600–120 Adelaide Street West
Toronto ON M5H 1T1

Dear Mr. Andersen:

Re: Amending Previous September 24, 2009 Direction Regarding Community Energy Partnership Program

I write pursuant to my authority as Minister of Energy in order to exercise the powers of ministerial direction that I have in respect of the Ontario Power Authority (OPA) under subsections 25.32(4.1) and (4.6) of the *Electricity Act, 1998* (the Act) and to provide the OPA with further direction regarding the establishment of the Community Energy Partnerships Program ("CEPP") as first created in accordance with my direction of September 24, 2009.

Background

My direction of September 24, 2009 in respect of CEPP required the OPA to develop and deliver through a third party a program that would provide financial assistance in the form of grants to community groups that are interested in developing renewable energy generation projects in Ontario that are 10 MW or less in size.

As currently provided for under my September 24th Direction, CEPP provides grants for costs of up to \$200,000 associated with renewable energy project development for technologies including wind, solar PV, biogas, biomass, landfill gas and water power projects, including site investigation and control, resource assessments, business and financial planning, project management and studies associated with applying for a Renewable Energy Approval. Subject to my direction below, eligible participants for the program would remain as set out in the September 24, 2009 Direction. My expectation is that the CEPP fund will not be allocated to individuals or commercial entities associated with commercial aggregation. I would further expect that the OPA's CEPP program rules will provide a definition of commercial aggregation in order to further clarify this issue.

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Direction

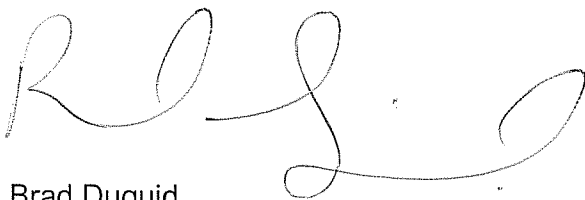
To enhance the development of community projects in Ontario, I further direct the OPA to adopt the following rules for CEPP in respect of co-operatives only:

- Allow co-operatives owned by residents of Ontario to apply for financial assistance of up to \$500,000 for project planning costs, as described in my September 24th direction, for projects over 10MW. For this purpose, the 10 MW upper limitation on capacity is therefore no longer operative in respect of co-operatives. However, the 10 kW lower limit on capacity is to remain in effect for co-operatives as it must for all other eligible participants and groups.
- As part of the government's continued effort to encourage education, outreach and capacity building to support the community renewable energy sector, a specified level of ongoing funding from the CEPP program should also be made available by the OPA through the third party for educational workshops, webinars (presentations, lectures, workshops or seminars that are transmitted over the web) and other outreach activities oriented toward the engagement of members of local communities, including co-operatives, to develop renewable energy projects. Therefore, the OPA is to allocate a total of not more than \$500,000 per year for the purposes of providing funding or grants to such educational outreach programs, with the CEPP review committee reviewing the grant proposals.

The overall program budget for the Community Energy Partnerships Program should not exceed \$10 million a year, and will include the costs associated with the two amendments described above.

This Direction is effective and binding as of the date hereof.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brad Duguid', written in a cursive style.

Brad Duguid
Minister