

# Feedback Form

## Clean Energy Credits – February 24, 2022

### Feedback Provided by:

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Following the February 24, 2022 engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the items discussed during the webinar. The webinar presentation and recording can be accessed from the [engagement web page](#).

**Please submit feedback to [engagement@ieso.ca](mailto:engagement@ieso.ca) by March 17, 2022.** If you wish to provide confidential feedback, please submit as a separate document, marked "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

## Opportunities & Challenges

Topic	Feedback
What are the key opportunities and challenges the IESO should be aware of in developing a voluntary clean energy market?	M'Chigeeng First Nation (MFN) would like to see a CEC market evolve to apply to all non-emitting generating sources feeding both the transmission and distribution systems, plus the wholesale market and energy contracted under competitive procurements. MFN would like to see a CEC market that encourages investment in new non-emitting generation across the whole grid, especially in demand constrained areas.

## Design considerations

Topic	Feedback
Which design considerations outlined in this presentation are most important to you and why?	<input type="checkbox"/> Customer choice: Customers should have the opportunity to both purchase and generate CECs. This means reforming regulations to allow virtual net metering and energy supply contracts between load customer and generators. <input type="checkbox"/> Monetize investments: The destination of CEC's should be flexible and negotiable as between generators and load customers when delivery via virtual net metering is involved. <input type="checkbox"/> Future Proof: the CEC registry should apply to existing clean energy generation once existing FIT contracts expire. It should also apply to new clean energy generation so that it can encourage and benefit from grid decarbonization.

Topic	Feedback
What other design considerations should IESO be aware of?	<p>MFN seeks a policy situation in which CEC's allowed by new regulations and existing regulations that block Virtual Net Metering are eliminated. Currently we see regulatory constraint on Local Distribution Companies (LDCs) as the main barrier to Virtual Net Metering. We envision becoming suppliers of renewable energy to our Band members via virtual net metering and we seek regulation that allows LDC's to permit this activity and to support it via their accounting software and policies. MFN would be happy with policies that allow LDCs to purchase locally generated renewable generation on our behalf and in turn offer green pricing programs and CECs to our Band members. As an alternative, MFN would seek regulations that allow local non-emitting generators to offer Virtual Power Purchase Agreements and CECs directly to local buyers. In other words under this scenario MFN could be acting as an energy retailer to our Band members. We also seek improved service levels from LDC's when new non-emitting projects are proposed and constructed. Our experience so far is that LDC's take advantage of their monopoly market power and price electrical infrastructure changes beyond market value without giving generators opportunity to construct or facilitate changes in electrical infrastructure at competitive prices. We would also seek regulation that limits delivery charges that LDC's might impose on non-emitting generators who contract via Virtual Power Purchase Agreements, to fair levels.</p>

## Engagement Process

Topic	Feedback
Which stakeholder groups and/or design topics are most important to include in the planned focus group discussions?	First Nations, Municipalities and their LDCs, Renewable Energy Co-operatives and other local generators of renewable power

Topic	Feedback
Are there any additional engagement opportunities the IESO should consider?	The draft CEC registry design should be workshopped among stakeholders or a regional level. First Nations should be given adequate advisory resources to allow them to participate.

Topic	Feedback
Would you be willing to participate in a technical session? If so, on which topic(s)?	Yes

## General Comments/Feedback

MFN envisions a day when it can become energy independent using 100% renewable energy. We invested in and constructed a 4MW wind farm using our equity and commercial debt and we have a 10-year horizon on the existing FIT contract. When this FIT contract expires, our expectation is that new regulation will allow us to contract with our Band members via virtual net metering with the cooperation of Hydro One, our LDC. Similarly for solar systems that we have placed on Band building rooftops. We also envision becoming a supplier of energy to other communities on Manitoulin Island, also via virtual net metering. It is our hope that these regulatory changes will allow us to reduce our reliance on the Ontario energy grid, to limit our energy costs and to take control of a dire situation of energy poverty within our community. MFN believes the CEC registry must both include and encourage new generation in the distribution system and provide LDCs the flexibility to allow this. Local non-emitting generators such as MFN should be able to offer Virtual Power Purchase agreements to our Band members using a local contract for their power with their LDC instead of feeding into the wholesale market. Another option would be for local non-emitting generators such as MFN that can produce excess renewable power beyond their community's needs to sell energy and/or CECs to other customers on Manitoulin Island through a virtual net metering arrangement. Currently regulations in Ontario do not allow these options. LDCs cannot purchase local generated electricity or storage services, or offer green pricing to their customers. Local generators also cannot sell their excess renewable power to other customers. These barriers will severely limit the amount of new renewable generation in Ontario - restricting the scope of the proposed CEC registry as well as making electrification and decarbonization both more expensive and longer to achieve. To make the proposed CEC registry worthwhile, therefore, it must be accompanied by new legislation and regulations governing LDCs and distribution grids. The proposed CEC market should allow LDCs to purchase locally generated renewable generation and offer green pricing programs and CECs, and allowing non-emitting generators such as MFN to offer Virtual Power Purchase Agreements and CECs to local customers (including our Band members).