

Local Generation Program – April 23, 2025

Feedback Provided by:

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Title: Board Member, Community Energy Co-operatives Canada

Organization: Community Energy Co-operatives Canada (CECC)

Existing contract number (if applicable): Our Ontario members hold many FIT Contracts

Email: [REDACTED]

Date: May 9, 2025

Following the April 23, 2025 webinar to provide information on the Local Generation Program (LGP) and the high-level design of the program, the IESO is seeking feedback on the high-level design of the recontracting stream of the LGP

The referenced presentation and supporting materials can be found under the April 23, 2025 entry on the [Local Generation Program webpage](#).

To promote transparency, feedback submitted will be posted on the Updates to IESO Monitoring Requirements: Phasor Data engagement page unless otherwise requested by the sender. If you wish to provide confidential feedback, please mark "Yes" below:

☐ **Yes – there is confidential information, do not post**

☒ **No – comfortable to publish to the IESO web page**

Please provide feedback by May 9, 2025 to engagement@ieso.ca. Please use subject: Feedback: Local Generation Program.

Specific Questions for Existing Facilities / Suppliers:

Timing and logistical issues in recontracting

1. How long before the expiration of your existing contract could you confidently submit a price (\$/MWh) to continue operation of the facility after the contract expires?

- ☐ 1 year
- ☐ 2 years
- ☐ 3 years
- ☐ 4 years
- ☐ 5 years
- ☐ More than 5 years

2. In the case of recontracting, would you prefer (multiple choice):

- ☐ For my new contract to start immediately after the old contract expires; or
- ☐ To be able to propose a new contract term start date; or
- ☒ Something else (please provide details)

This is likely to be different for different facilities but in many cases, a co-operative or community organization will want the contract to start immediately or soon after for continuity and ongoing revenue.

3. Do you anticipate any need to shut down your facility temporarily when the existing contract expires?

- ☐ Yes

If yes, for how long?

- ☐ No
- ☒ Not sure

If not sure, what additional information do you need?

Our members strive to minimize facility shutdowns. However, it may be necessary during refurbishments, upgrades, or expansions. Our members manage up to many existing projects, including FIT and Net Metering projects. Members may refurbish or upgrade some sites based on local conditions, site opportunities and the upgrade terms of the Local Generation Program.

4. Do you anticipate any need to shut down your facility permanently when the existing contract expires?

☐ Yes

If yes, what is the reason?

[Click or tap here to enter text.](#)

☐ No

☒ Not sure

If not sure, what additional information do you need?

Our members plan to keep existing facilities running indefinitely, with necessary upgrades, expansions, or renovations. However, our members' ability to do this depends on factors like lease renewals, the condition of the host facility, and the continuation or renewal of our power purchase contracts.

5. What risks and or challenges do you anticipate around being able to recontract your existing facility to supply electricity?

Contract term length and price: our members are concerned that a facility's ability to generate sufficient revenue to repay the cost of re-contracting, refurbishment, upgrade, or expansion depends on the contracted price and term length. Re-contracting may not be economically viable if the term length and price are insufficient.

New long-term procurement processes are complex, costly, and challenging for community organizations like co-operatives to participate in. If re-contracting the facility under the Local Generation Program requires significant effort and sophistication, community organizations may lack resources to participate.

Lease costs are expected to decrease when the facility is re-contracted as revenues decrease. If the lease rate is insufficient, the landlord may not renew the lease agreement.

Many facilities have been located on rooftops for 20 years and may need to be repaired or replaced. In such cases, the existing facility may need to be removed and replaced before re-contracting.

Uncertainty regarding the bidding algorithm, LDC cooperation, and lack of clarity on bid security requirements increase the risk that small community-owned assets will be outcompeted by larger players, leading to reduced community buy-in and benefits.

Refurbishments, upgrades and expansions

6. Are you planning to refurbish, upgrade or expand your facility?

Our Ontario members plan to refurbish, upgrade and expand facilities where feasible. Some members are considering battery storage retrofits and capacity expansion.

a. If you are planning to change your facility, when would you want to do that?

Our Ontario members plan to refurbish, upgrade and expand our facilities based on location and condition with the expectation that some refurbishments could be aligned with new LGP contract start dates (2026–2028 timeframe), or some point thereafter.

7. Do you intend to increase your installed capacity or keep it the same as the existing capacity? Please describe why it might remain the same or change.

Our Ontario members plan to increase the capacity of our system wherever feasible and if grid capacity allows.

8. Do you know if your connection point and or local circuits could support an expansion or upgrade? Please provide details.

Our Ontario members mostly do not know if their connection points or local circuits could support an expansion or upgrade at this time. This information is not reliably available to community proponents. A transparent access tool is urgently needed.

9. What risks and or challenges do you anticipate around refurbishing / upgrading or expanding your facility?

Cost, permitting delays, and lack of access to distribution line capacity data. Transfer trip costs are prohibitively high for small DERs without LDC coordination.

Contract term length and price: Re-contracting may not be an economic option for local co-operatives and community actors if the combination of the term length and price are insufficient.

Level of effort required to secure a new contract: The new long term procurement processes that have been implemented are complex, costly and challenging for community organizations like co-operatives to participate in.

Lease costs: The cost of leasing real estate (roofs or land) could change making re-contracting difficult.

Re-roofing requirements: Facilities that have been located on rooftops for lengthy periods may need to be removed while roofs are repaired and then replaced before re-contracting.

Other Comments/Feedback

Topic: High Level Program Design	Feedback
Support Ontario citizen ownership and control of Local Generation Program assets for both re-contracting and new facilities. Enable fair access for Renewable Energy Co-operatives (RECs).	We recommend that the Local Generation Program recognize and support the unique value of Renewable Energy Co-operatives (RECs), which have demonstrated community-led leadership in clean energy deployment. The program must reward meaningful community and Indigenous ownership where genuine community equity and governance are embedded. (While avoiding LDCs and private developers creating nominal co-ops or token partnerships solely for preferential treatment.) The bidding process should include mechanisms to support the unique value of RECs and ensure that the benefits of public trust, local wealth retention, and democratic governance accrue to Ontario communities.
Allow co-operatives to engage in virtual net metering.	With community virtual net metering, members of co-operatives will be able to purchase electricity directly from co-operatively owned projects. In this way, the jobs and economic benefits realized by these activities are retained in Ontario and members will control the price of electricity from the projects that they own and control.
Make the LGP process simple and straightforward. Provide a standard offer for community organizations like co-operatives.	<p>Organizations like co-operatives and municipalities have limited ability to participate in IESO programs like long term procurement due to complex processes.</p> <p>A standard offer will help to simplify the LGP process and minimize the level of effort required to participate. The standard offer could be limited to co-operatives and other contract capacity set-aside eligible organizations, and/or to projects less than a certain capacity. This ensures that trusted co-ops can continue contributing distributed generation cost-effectively bring community capital to address electricity supply challenges.</p>

Topic: High Level Program Design	Feedback
Allow for longer contract terms that reflect the capital invested in the facility.	Where a facility is being recontracted without any refurbishments, upgrades or expansions, the 5 year term length proposed is sufficient. However, where any refurbishments, upgrades or expansions are undertaken, the term length of 5 years will not be sufficient to recoup those costs. The contract term length should reflect the amount of time that is required to recoup the investment.
Allow recontracting for rooftop facilities under the LGP.	The SaveOnEnergy program does not provide sufficient support to facilitate the re-contracting of facilities. Re-contracting under the LGP should be available to all eligible facilities.
Eligible Technologies – Support Community-Scale Energy Storage as a Flexible Local Resource	The program should explicitly support non-wired, community-scale battery energy storage systems (BESS). Co-operative ownership ensures that the benefits of storage — including grid services and cost savings — flow back to communities. This scale of storage is well-suited for municipal feeders and can play a pivotal role in supporting Local Energy Reliability Projects (LERPs) and reducing the need for large-scale infrastructure upgrades, e.g. transmission lines. Bid evaluation should account for both location and time of generation and the advantages of community-scale BESS paired with solar can deliver.
Grid Access – Ensure Transparency and Capacity Access on Distribution Lines	<p>Community proponents cannot design viable projects without clear data on available distribution capacity. The IESO must work with LDCs to publish real-time or forecasted hosting capacity tools and ensure transparent, fair allocation mechanisms when multiple proponents seek access to the same line.</p> <p>Another suggestion is to establish standardized interconnection cost ranges across the province based on project size. This would give community proponents clearer upfront cost expectations, reduce risk and uncertainty, and enable more predictable financial planning.</p>

Topic: High Level Program Design	Feedback
Program Design & Delivery – Enable LDC Partnerships for Innovative Business Models	<p>The program should explicitly allow LDCs, where willing, to partner in innovative deployment models such as Community Solar. Under this structure, the LDC would credit participating subscribers directly rather than compensating the generator, enabling broader participation and cost savings — particularly for low-income customers.</p> <p>From a system perspective, the grid impacts are identical to conventional procurement, but with significant added community benefits. Enabling these models under the Local Generation Program would support affordability, equity, and customer engagement while maintaining operational integrity.</p>

General Comments/Feedback

Community Energy Co-operative Canada greatly appreciates the IESO's efforts to establish the Local Generation Program. Distributed energy resources will be very important to Ontario's future energy mix and we applaud the initiative. Transparency, fairness, and grid access tools are key to enabling community-scale participation. We strongly encourage the IESO to implement supports for co-operatives and other community capacity set aside eligible organizations that will retain and distribute the economics rewards of the Local Generation Program for Ontario citizens. We look forward to continuing collaboration on this important initiative. The CECC would be happy to assist in ensuring that the program properly supports meaningful community and Indigenous ownership where genuine community equity and governance are embedded.