

Feedback Form

Local Generation Program – April 23, 2025

Feedback Provided by:

Name: Brian Unrau

Title: President

Organization: Community Energy Development Co-operative Ltd., "CED Co-op"

Existing contract number (if applicable): We have more than 100 FIT and microFIT 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](#).

Commented [A1]: Has this been updated on IESO website?

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)

As a Co-operative, allowing for the ability to transition Co-operative owned projects into Community Net-Metering (Virtual Net-Metering) structures at the end of the current contract would be a suitable option

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

- ☐ Yes

If yes, for how long?

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

- ☐ No
- ☒ Not sure

If not sure, what additional information do you need?

At this time, there doesn't appear to be an immediate or direct need to shut down the system. Depending on what structure a renewed or extended contract may take, and the required or optional expansion of the facility to increase generation may necessitate refurbishments and upgrades, which will come with some associated down-time. It is expected that down-time would be limited to weeks or months.

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?

If there are no reasonable contracting options available upon conclusion of the current contract, we would likely need to decommission the facility. The current spot market rates do not appear that they would adequately exceed the costs of insurance, LDC fees, lease payments and Operations and Maintenance expenses.

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

Contract Term and Pricing Dynamics

- If the contract term is too short or the price too low, the facility may not be able to generate adequate revenue to justify the investment required.
- In such cases, recontracting may no longer be financially feasible.

Complexity and Resource Intensity of Recontracting Processes

- These new processes can pose significant challenges for smaller community-led entities, such as co-operatives, which may lack the technical and financial capacity to participate effectively in a bidding structure.
- Without adequate resources or support, these organizations may be excluded from the recontracting process under programs such as the Local Generation Program.

Lease Costs for Rooftops and Land

- As facilities enter a new contract term and expected revenue declines, the associated real estate lease costs (e.g., rooftops or land) must also be adjusted accordingly. If lease payments are not aligned with the reduced revenue potential, landlords may be unwilling to renew agreements, threatening the continued operation of the facility.

Roof Condition and Re-roofing Considerations

- A significant number of rooftop installations have been in place for nearly two decades, and in many cases, the roofs may now require repair or full replacement. Re-roofing efforts may

necessitate the temporary removal and reinstallation of solar infrastructure, which could impose additional costs and logistical barriers during the recontracting phase.

- **Unilateral Operating Expense Considerations**

- Within the first few years of operations, Hydro One increased their monthly fees for Generators by more than 600%. This translates to ~\$2,000 more being paid to Hydro One for each FIT contract each year. For our Co-operative, this is translating to more than \$1 Million more being paid to Hydro One during the contract terms than originally anticipated. If the expectations on Industry are that efficiencies are gained, we bid in a competitive environment, and deliver energy/services at lower prices, this expectation must be applied to all parts of the value chain, including LDCs.

Refurbishments, upgrades and expansions

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

Where the costs of grid access for increases in generation capacity, along with refurbishment/upgrade expenses to match the available increased capacity, are reasonable, yes we would be interested in expanding facilities.

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

We would not be in a position to make changes to our facilities until negotiations are completed on a new contract, following the completion of any of our existing contracts. Beyond this, seasonal/weather considerations would dictate how quickly we could begin and complete upgrade work.

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.

Given the realized and anticipated increases in the efficiency of solar panels, it is anticipated that we would plan to explore increases in generation capacity at all sites, even where rooftop size or land area constraints exist.

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

With projects in various parts of the Province, we have not explored what capacity exists in the areas in which we operate projects.

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

In addition to the challenges named in Section 5., which apply here as well,

ESA Challenges:

There have been a number of changes in electrical code, including rapid shutdown, equipment access requirements, rodent guarding and more are contemplated. In refurbishing or upgrading a facility, the entire facility must be brought up to evolving code standards, the costs of which may be prohibitive.

Other Comments/Feedback

Topic: High Level Program Design	Feedback
Enable Co-operatives to Participate in Virtual Net Metering (VNM)	Expanding access to virtual net metering would allow co-operative members to consume electricity generated by co-operatively owned renewable projects, even if they are not located onsite. This model strengthens local control over energy costs, enhances energy literacy, and allows communities to retain the economic value of their electricity spending. Community VNM would empower Ontarians to align their energy consumption with values of sustainability, affordability, and democratic ownership.
Promote Ontario-Based Ownership and Oversight of Renewable Assets	To ensure that the economic and employment benefits of the Local Generation Program remain within the province, it is essential to prioritize local ownership and governance of energy assets. Community-based ownership, including that of co-operatives and municipalities, fosters local economic development, energy independence, and long-term public benefit. We encourage the IESO to structure the LGP to explicitly support and incentivize Ontario-based entities in both recontracting and the development of new facilities.

Topic: High Level Program Design	Feedback
Introduce a Standard Offer Mechanism for Community-Led Projects	A standardized contract offer tailored for community-based organizations, such as co-operatives, would significantly reduce the administrative burden and financial risk involved in participating in the LGP. This approach could apply to projects under a defined capacity threshold or to entities eligible for contract capacity set-asides. It would level the playing field for smaller proponents, who may otherwise be disadvantaged in open competitive procurement processes due to limited economies of scale.
Align Contract Durations with Investment Recovery Needs	Contract terms should be flexible and proportionate to the capital improvements undertaken. While a five-year recontract may suffice for unchanged facilities, projects involving capital upgrades, expansions, or refurbishment require longer terms to ensure a reasonable return on investment. The LGP should recognize the financial realities of reinvestment and structure contract durations accordingly.
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General Comments/Feedback

We commend the IESO for its leadership in launching the Local Generation Program and recognize the critical role that distributed energy resources will play in shaping a resilient, sustainable, and decentralized energy future for Ontario. This initiative represents an important step forward. We respectfully urge the IESO to incorporate dedicated supports for co-operatives and other organizations eligible under the community capacity set-aside. Enabling meaningful participation from these groups will help ensure that the economic benefits of the Local Generation Program are equitably retained and shared among Ontarians, reinforcing local ownership, community engagement, and long-term economic development.