Local Generation Program – April 23, 2025

Feedback Provided by:

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Title: President

Organization: OREC (Ottawa Renewable Energy Co-operative)

Existing contract number (if applicable): We currently hold 25 FIT contracts

Email: [redacted]

Date: May 5, 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)

   Allow cooperatively owned community projects — especially those in the set-aside for community capacity — to use virtual net metering. This would let local residents and businesses benefit directly from the energy these projects produce, even if they aren't located on the same site. It's a proven way to expand access, increase local support, and deliver energy savings back to the community.

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?

   We manage 28 existing projects of which 25 are FIT and 3 are Net Metering. We may wish to refurbish or upgrade one or more of these sites depending on the upgrade terms of the Local Generation Program and the opportunities each site presents.

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

   ☐ Yes

   If yes, what is the reason?

   ☒ No

   ☐ Not sure

   If not sure, what additional information do you need?

   OREC is committed to operating our existing facilities for the long term, including making necessary upgrades, expansions, or refurbishments. However, our ability to do so 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?

   Uncertainty regarding the bidding algorithm, LDC cooperation, and lack of clarity on bid security requirements. Risk that small community-owned assets will be outcompeted by larger players with a corresponding reduction in community buy-in and benefits.

Refurbishments, upgrades and expansions

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

   Yes, OREC is considering battery storage retrofits and capacity expansion where feasible.

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

   Ideally aligned with new LGP contract start dates (2026–2028 timeframe).

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.

   Yes, if grid capacity allows. Expansion depends on LDC capacity data and cost-sharing for transfer trip equipment.

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

   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.

Other Comments/Feedback

Topic: High Level Program Design	Feedback
1. Program Eligibility & Bid Evaluation – Enable Fair Access for Renewable Energy Co-operatives	The Local Generation Program must recognize and support the unique value of Renewable Energy Co-operatives (RECs), which have demonstrated community-led leadership in clean energy deployment. Explicitly enabling RECs to participate — and be compensated fairly — in both the recontracting and new build streams is essential to lowering provincial energy costs, increasing community resiliency, and reducing Ontario's carbon footprint.
2. Contract Structure & Project Size – Simplify Procurement for Small-Scale DERs (<2 MW)	A simplified application process — ideally through a standing offer contract — for DERs under 2 MW would significantly reduce administrative costs and barriers to entry for community-led projects. The standing offer price should reflect local demand conditions, as defined by regional planning and rate applications, to better align DER deployment with system needs. This ensures that trusted co-ops like OREC can continue contributing distributed generation in a cost-effective and grid-beneficial manner; and bring community capital to solve our electricity supply challenges. To further support small-scale DER development, the IESO should establish standardized interconnection cost ranges across the province based on project size — for example: under 500 kW, 500 kW to 1.5 MW, and 1.5 MW to 3 MW. This would give community proponents clearer upfront cost expectations, reduce risk and uncertainty, and enable more predictable financial planning. Without standardized interconnection pricing, smaller community projects face disproportionate cost burdens compared to larger developers, limiting the potential of local capital and co-operative participation in Ontario's energy future.

Topic: High Level Program Design	Feedback
3. 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) in the 2 MW / 5–10 MWh range. Future contracts — whether issued by the IESO *or* LDCs — should accommodate storage as both consumer and producer ("prosumer") of grid electricity. These assets can be deployed as standalone resources or paired with solar generation, providing load shifting, peak shaving, and enhanced local reliability. Co-operative ownership ensures that the benefits of storage — including grid services and cost savings — flow back to communities rather than being used solely as infrequent GA-reduction tools by private actors. 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. Community-scale BESS paired with solar can deliver clean electricity during peak demand periods, relieving stress on the grid. Projects that can dispatch power at critical times should be compensated accordingly through higher bid prices or evaluation scores.
4. Program Eligibility & Bid Evaluation – Protect and Prioritize Authentic Community Ownership	The program must reward meaningful community and Indigenous ownership, not just nominal participation. Projects led by bona fide co-operatives with a proven track record (e.g., 5+ years of operational assets and local investment) should be prioritized in bid evaluations and contract awards. LDCs and private developers should not be permitted to create nominal co-ops or token partnerships solely for preferential treatment unless genuine community equity and governance are embedded. A clear definition of "community ownership" is essential to prevent greenwashing and ensure that the benefits of public trust, local wealth retention, and democratic governance accrue to Ontario communities.
5. Grid Access – Ensure Transparency and Capacity Access on Distribution Lines	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.

Topic: High Level Program Design	Feedback
6. Program Design & Delivery – Enable LDC Partnerships for Innovative Business Models	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. 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.

General Comments/Feedback

OREC greatly appreciates the IESO's recognition of the value of — and plan to extend and expand — local renewable energy generation. Transparency, fairness, and grid access tools are key to enabling community-scale participation. We look forward to continuing collaboration on this important initiative.

Our efforts to assist the Province develop progressive policies that reduce costs to taxpayers, increase the reliability of the electricity grid, and benefit communities serviced, is documented on the Advocacy page of our website, orec.ca.