



microFIT RULES
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Section 1 – Introduction

1.1 Background to the microFIT Program

The microFIT Program is intended to provide a simplified approach for enabling the development of renewable micro-generation electricity projects located in Ontario which have a Nameplate Capacity of 10 kW or less. For projects with a Nameplate Capacity greater than 10 kW, an Applicant must apply to the FIT Program.

The primary objective of this document is to outline the rules and process for participating in the microFIT Program. This process is designed to be efficient and streamlined for Applicants, Local Distribution Companies (each an “LDC”) and the IESO.

The microFIT Program is aligned with the existing connection and settlement functions for LDCs established under the Distribution System Code and the Retail Settlement Code. These codes outline the LDCs’ requirements for the connection of micro-generation projects and the financial settlement of IESO contracts. An Applicant should contact its LDC for assistance and information regarding the connection process.

All capitalized terms used in these microFIT Rules are defined in the final section of this document.

1.2 Important Information for Applicants

Applicants are encouraged and cautioned to read and understand these microFIT Rules and the microFIT Contract prior to submitting an Application or incurring costs. It is the Applicant’s responsibility to understand the microFIT Rules, the microFIT Contract and the process that will be followed prior to a microFIT Contract being offered. It is the sole risk of the Applicant if it does not understand these microFIT Rules and application process.

The microFIT Program uses a web-based application process and there are important deadlines that an Applicant must comply with at certain stages of this process. It is the Applicant’s responsibility for meeting these deadlines and for monitoring its My microFIT Home Page for important communications regarding its Application.

Not all proposed microFIT Projects will be able to connect to their LDC’s distribution system due to the presence of local constraints. It is the Applicant’s responsibility to ensure that its microFIT Project can be connected.

If an Applicant installs a project prior to receiving an Application Approval Notice, it does so at its own risk and all costs, expenses and liabilities relating to the microFIT Project shall at all times remain with the Applicant regardless of whether a microFIT Contract is offered to the Applicant.

Certain microFIT Projects may be required to meet requirements of the Ministries of Environment, Natural Resources, and Tourism, Culture and Sport before the project can be

constructed, including obtaining a Renewable Energy Approval from the Ontario Ministry of the Environment. It is the Applicant's responsibility to comply with all laws and obtain all permits required for its microFIT Project.

The IESO will approve microFIT Applications until the Annual Procurement Target for the microFIT Program is achieved. If an Annual Procurement Target is not achieved in a given year, such Annual Procurement Target's remaining capacity will be added to the Annual Procurement Target for the following year.

Unless otherwise decided by the IESO, in its sole and absolute discretion, and communicated to Applicants by a posting on the microFIT Program website, Applications that are not approved in the year in which the Applications were submitted will be terminated and will need to re-apply in the following year. The IESO may review the Annual Procurement Target from time to time.

The FIT Price Schedule will be reviewed annually and the 2015 FIT Price Schedule will take effect January 1, 2015.

1.3 Overview of the microFIT Program Process

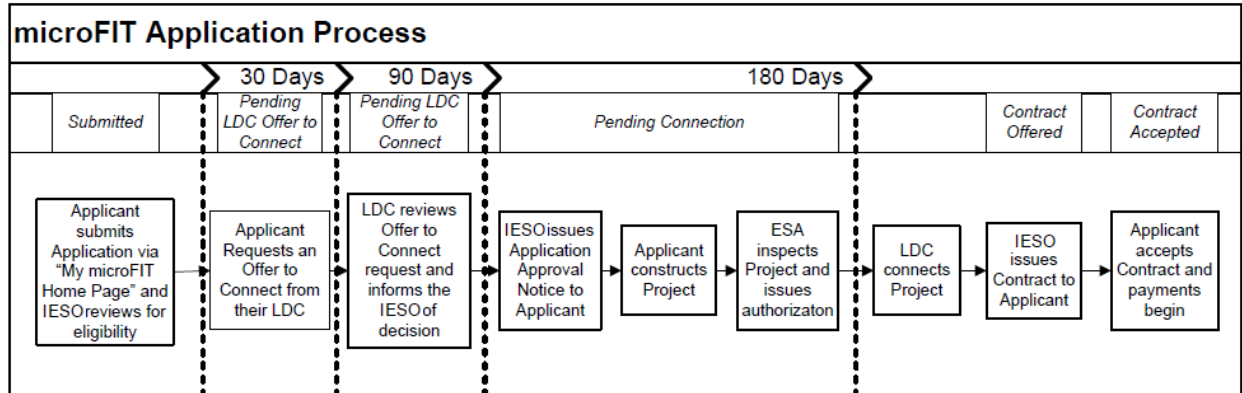
The following is a high level summary of the key steps an Applicant must follow when applying to participate in the microFIT Program. Applicants must read the entire microFIT Rules to understand the detailed requirements at each step in the process:

1. An Eligible Participant must register on the microFIT Program website in order to prepare and submit an Application.
2. Once registered, an Applicant will submit an Application online through the Applicant's My microFIT Home Page. Each microFIT Project will be issued a Reference Number when an Application is submitted. The Application status at this step is "Submitted".
3. The IESO will perform a review of the Application to confirm that it is complete and that all required information has been provided. If it does not pass the completeness review, the Application will be terminated and the Application's status on its My microFIT Home Page will be set to "Terminated".
4. If an Application passes the completeness review, the IESO will confirm whether sufficient capacity remains within the Annual Procurement Target. If there is sufficient capacity, the Application's status will be set to "Pending LDC Offer to Connect". If there is not sufficient capacity, the Applicant may keep its Application active in the event more capacity becomes available by the end of the year. All active Applications that have not been set to "Pending LDC Offer to Connect" will be terminated at the end of each year, unless otherwise decided by the IESO.
5. Within 30 days of an Application's status having been set to "Pending LDC Offer to Connect", the Applicant must submit a Connection Request to the applicable LDC for the

connection of the Applicant's microFIT Project.¹ The LDC will report to the IESO when the LDC has received a Connection Request. If an Applicant does not submit the Connection Request to the LDC within the 30 day period, the Application will be terminated.

6. Within 90 days of the LDC receiving the Connection Request from the Applicant, the Applicant must obtain an offer to connect from the LDC for the connection of the Applicant's microFIT Project. The LDC will report to the IESO whether the LDC approves or denies the Applicant's request.
7. The IESO will approve an Application (by issuing an Application Approval Notice) if the LDC has issued an offer to connect within the required 90 day period and all other microFIT Program eligibility requirements have been met. An Application will be terminated if the LDC denies a request for an offer to connect or if the offer to connect is not obtained within the required 90 day period. If approved, the Application's status reflected on the Applicant's My microFIT Home Page will be set to "Pending Connection".
8. If an Application is approved, the Applicant must install its microFIT Project and obtain the Electrical Safety Authority Connection Authorization within 180 days of the issuance of the Application Approval Notice, failing which the Application will be terminated.
9. When the Applicant's microFIT Project is connected to the LDC's distribution system, the LDC will provide the IESO with particulars of the connection, including project specific information and the date the project was physically connected to the distribution system.
10. The IESO will offer the Applicant a microFIT Contract once the LDC has completed the connection of the microFIT Project to its distribution system and the other conditions contained in the Application Approval Notice (referred to in paragraph 7 above) are satisfied. Once a microFIT Contract is offered, the Application's status on the My microFIT Home Page will be set to "Contract Offered". The Applicant must accept the contract offer on the Application's My microFIT Home Page.
11. An Applicant may terminate its Application at any time without penalty by providing a written notice to the IESO.

¹ This step is not applicable if the Applicant is an LDC. If the Applicant is an LDC, steps 5 and 6 are satisfied by the LDC providing confirmation that it can connect the proposed microFIT Project by using the microFIT portal to notify the IESO that an offer to connect has been issued.



Section 2 - Project Eligibility Requirements

2.1 Basic Eligibility Requirements

- (a) To be eligible for a microFIT Contract, a project must:
- 1) be a Renewable Generating Facility, which uses only one Renewable Fuel that is included in the FIT Price Schedule;
 - 2) be located in the Province of Ontario;
 - 3) unless otherwise consented to by the IESO in writing in its sole and absolute discretion, not be an IESO contracted facility that has reached commercial operation or have been an IESO contracted facility that had previously achieved commercial operation;
 - 4) have a maximum Nameplate Capacity of 10 kW;
 - 5) be connected, directly or indirectly, to the IESO-Controlled Grid via a distribution system of a LDC; and
 - 6) have separate metering suitable for microFIT Program data collection and financial settlement purposes as described in Section 3.7.
- (b) To be eligible to submit an Application and to be offered a microFIT Contract, the Applicant must be an Eligible Participant.
- (c) The Applicant (and ultimately the Supplier if the microFIT Contract is executed) must be the same person or entity as the person or entity that maintains the Generator Account in respect of the microFIT Project, and must also be the same person or entity who signs the Connection Agreement for the microFIT Project. For clarity, the legal name(s) of the Applicant provided on the Application must be the same as the legal name(s) of the person(s) or entity(ies) on the Generator Account and Connection Agreement.

Where more than one entity holds title to or leases (where leasing is permitted by the Eligible Participant Schedule) the property on which the Facility is proposed to be located, all such entities must be an Eligible Participant and must collectively submit an

Application for the microFIT Project or, in the case of a Farm Co-operative (as defined in the Eligible Participant Schedule) the Host Member and any other entity that holds title to the property with the Host Member must be an Eligible Participant.

- (d) Individuals and Farmers, as defined in the Eligible Participant Schedule, may only have one microFIT Project and may not have multiple Applications active at one time, whether or not the project or Application is in respect of separate properties.
 - 1) An Application is considered active once it has been submitted and will remain active until it is terminated.
 - 2) If an Individual or Farmer has a microFIT Project under an earlier version of the microFIT Rules, the Individual or Farmer is not eligible for another microFIT Project.
 - 3) If the Farmer is the Host Member (as defined in the Eligible Participant Schedule) hosting a Farm Co-operative project, that project shall be considered a project of the Farmer for the purposes of this Section 2.1(d).
 - 4) An Individual or Farmer that has a microFIT Project or an active Application jointly with one or more other Eligible Participants may not have another microFIT Project or another Application, whether alone or jointly with other Eligible Participants.
- (e) A maximum of 10 kW of Nameplate Capacity per Renewable Fuel is permitted on any Deemed Single Property.
- (f) A proposed microFIT Project may not be located on the same property that a FIT Project using the same Renewable Fuel is, or is proposed to be, located.
- (g) A proposed microFIT Project that is either (i) a wind Renewable Generating Facility that has a Nameplate Capacity of 3 kW or less; or (ii) a Non-Rooftop Solar Facility:
 - 1) may not be located on a property on which residential use is a Lawfully Permitted Use; and
 - 2) may not be located on a property that Abuts another property on which residential use is a Lawfully Permitted Use;however, for property where the Lawfully Permitted Use is agricultural, a wind Renewable Generating Facility that has a Nameplate Capacity of 3 kW or less or a Non-Rooftop Solar Facility is permitted on such property or on property that Abuts such property if residential use is permitted as ancillary to the agricultural use.
- (h) If a Non-Rooftop Solar Facility is proposed to be located on a property on which commercial use or industrial use is a Lawfully Permitted Use, the proposed Non-Rooftop Solar Facility may not be the main, primary or only purpose for which the property is used.

- (i) If a proposed microFIT Project is determined by the LDC to require a Connection Impact Assessment, then the project will not be eligible for a microFIT Contract.

2.2 Non-compliance with Eligibility Requirements

Non-compliance with the basic eligibility requirements in Section 2.1 will result in termination of the Application. Without limiting the generality of the preceding statement:

- (a) Projects cannot be divided into smaller projects for the purpose of obtaining a higher Contract Price or any other benefit under the microFIT Program. If the IESO determines that a project has been divided into smaller projects, it will terminate all Applications or contracts in respect of such projects.
- (b) If the IESO determines that a microFIT Project described as a Rooftop Solar Facility in an Application is not a Rooftop Solar Facility, it may terminate the Application or contract in respect of such project at any time.

The Applicant is required to provide representations and warranties in the microFIT Contract that the Applicant and the microFIT Project satisfy the eligibility requirements. The microFIT Contract provides the IESO with rights to access and audit the Supplier's Renewable Generating Facility and other information about the facility and the Supplier to assess compliance with the microFIT Contract, including the representations and warranties made by the Supplier. Breach of the microFIT Contract may result in termination of the contract.

Section 3 – Registration, Application, Application Approval and Connection

3.1 Registration to microFIT Program

Applicants to the microFIT Program will be required to register on the microFIT website prior to preparing and submitting an Application. Upon completion of registration, a personalized page (“My microFIT Home Page”) will be created and will only be accessible to the Applicant through the username and password created by the Applicant at registration. It is the Applicant's responsibility to retain and protect this username and password and to monitor for any emails received from the IESO. Once registered, the Applicant will be able to log in to its My microFIT Home Page. This page will provide the Applicant with the necessary resources and features to allow participation in the microFIT Program, such as completing an Application and tracking emails from the IESO.

3.2 microFIT Application

- (a) An Applicant must apply for the microFIT Program using the online web based application form available on the My microFIT Home Page. Applications not completed correctly or where all required information is not provided in the required form, if applicable, will be terminated and the Applicant will be required to re-apply. The Applicant must provide

contact information for the Applicant and optionally secondary contacts for representatives.

- (b) Applications must include all required supporting documentation and evidence which will include:
 - 1) the evidence specified in the Eligible Participant Schedule that is required to establish that the Applicant is an Eligible Participant; and
 - 2) if applying for (i) a wind Renewable Generating Facility that has a Nameplate Capacity of 3 kW or less; or (ii) a Non-Rooftop Solar Facility, the following evidence in the prescribed form regarding compliance with Sections 2.1(g) and (h) of these rules:
 - (A) a written opinion of a Land Use Planner or a director of planning or equivalent municipal official; or
 - (B) a written certification of a chief building official, municipal chief administrative officer, municipal clerk, or equivalent official of each municipality in which the project is located, in whole or in part.
- (c) Each microFIT Project will be assigned a Reference Number at the time the Application is submitted.
- (d) Once an Application has been submitted it may not be amended other than to update contact information.
- (e) Applications are not transferrable to a new Applicant at any time.
- (f) By submitting an Application, the Applicant is authorizing the collection, use and disclosure of its information (including personal information) as provided in more detail in Section 6.2 below.
- (g) When the Application for the microFIT Project representing the project that achieves the Annual Procurement Target has been set to “Pending LDC Offer to Connect” (see Section 3.4), no further Applications will be set to “Pending LDC Offer to Connect” in that year unless capacity within the Annual Procurement Target subsequently becomes available or additional capacity is added to the Annual Procurement Target.
- (h) If there is not sufficient capacity within the Annual Procurement Target for an Application, the Applicant may keep its Application active in the event more capacity becomes available in the year that the Application was submitted. Unless otherwise decided by the IESO, in its sole and absolute discretion, and communicated to Applicants by a posting on the microFIT Program website, Applications that have not been set to “Pending LDC Offer to Connect” by December 31 of the year in which the Applications were submitted will be terminated and may re-apply the following year.

3.3 *Completeness Review*

The IESO will review the Application to confirm that it is complete and that all required information has been submitted to the satisfaction of the IESO. The IESO may, but is not required to, ask for additional clarification with respect to the Application, if required to resolve ambiguity, and may verify information in the Application with third parties. The Applicant may be requested to provide authorizations to third parties to enable the IESO to verify information in an Application. If the Application is not complete or if all required information has not been submitted to the satisfaction of the IESO, the Application will be terminated.

3.4 *Pending LDC Offer to Connect*

- (a) If the IESO determines that the Application is complete and that sufficient capacity is available within the Annual Procurement Target, the IESO will set the Application's status on the Applicant's My microFIT Home Page to "Pending LDC Offer to Connect". It is the Applicant's responsibility to monitor its My microFIT Home Page for a change to its Application's status.
- (b) The Applicant must submit its Connection Request for its proposed microFIT Project to the LDC no later than 30 days following the date the Application is set to "Pending LDC Offer to Connect". An Application will be terminated if an Applicant fails to submit its Connection Request within the required 30 day period.
- (c) The Applicant must, in its Connection Request to the LDC, provide the LDC with the Reference Number. The LDC will report to the IESO whether a Connection Request has been received.
- (d) The Applicant must receive an offer to connect from the LDC no later than 90 days following the date the Connection Request was received by the LDC. The LDC will report to the IESO whether an offer to connect has been issued or denied.
- (e) A proposed microFIT Project that is denied an offer to connect or is not issued an offer to connect within the 90 day period will be terminated. Applicants are solely responsible for the consequences caused by any delay in receiving an offer to connect.

3.5 *Application Approval*

- (a) The IESO will not issue an Application Approval Notice unless²:
 - 1) the Applicant had requested an offer to connect from the LDC within 30 days of the status on its My microFIT Home Page being set to "Pending LDC Offer to Connect";

² If the Applicant is an LDC, steps 1 and 2 are satisfied by the LDC providing confirmation that it can connect the proposed microFIT Project by using the microFIT portal to notify the IESO that an offer to connect has been issued.

- 2) the LDC has issued an offer to connect for the microFIT Project within the required 90 day period; and
- 3) the IESO determines that the Application meets the microFIT Program eligibility requirements.

When the Application Approval Notice is issued, the Application's status on the My microFIT Home Page will be set to "Pending Connection".

- (b) When an Application Approval Notice is issued, the Applicant must install its microFIT Project and obtain the Electrical Safety Authority Connection Authorization within 180 days from the issuance of the Application Approval Notice. The Application approval will expire and the Application will be terminated if the Electrical Safety Authority Connection Authorization is not obtained by the Applicant within 180 days from the issuance of the Application Approval Notice.
- (c) The Application Approval Notice will indicate that the IESO will, subject to the Applicant satisfying certain conditions, offer a microFIT Contract to the Applicant for the project described in the Application. The conditions that must be satisfied will include:
 - 1) compliance with the microFIT Rules in effect at the time the Application Approval Notice was issued;
 - 2) confirmation by the LDC of the connection of the microFIT Project to the distribution system; and
 - 3) receipt by the IESO of all information necessary to complete preparation of a microFIT Contract using the form of microFIT Contract in use at the time the Application Approval Notice was issued.

3.6 Contract Commencement Date

The Contract Commencement Date is the date the microFIT Contract, once executed, will be deemed to commence pursuant to Section 5.1.

Once the Applicant and the LDC have finalized the connection of the microFIT Project to the distribution system, the LDC will provide to the IESO the date that the project was connected to the LDC's distribution system, in accordance with paragraph 2 below (along with other information as described in Section 4.1). LDCs may choose to select a connection date that coincides with the start date of the next LDC billing cycle.

The "Contract Commencement Date" means the date that is the later of:

- 1) the date of Application Approval Notice was issued; and
- 2) the date that the project is physically connected to the LDC's distribution system, in compliance with all requirements of the LDC, with a suitable metering configuration appropriate for the calculation of Generation Payments under the microFIT Contract, as shown in Section 3.7, and with the applicable Generator Account established for the microFIT Project.

3.7 Connection and Metering

- (a) A microFIT Project may be connected to a distribution system in an arrangement that is independent of the associated load as shown in Figure 1 (this is referred to as directly connected), or it may be connected indirectly to the distribution system in parallel to an existing Load Customer as shown in Figure 2. In-series metering configuration is not permitted.

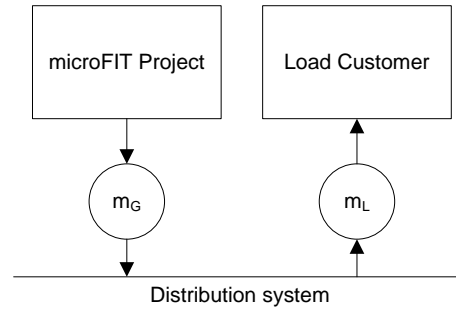


Figure 1 – Directly connected microFIT Project

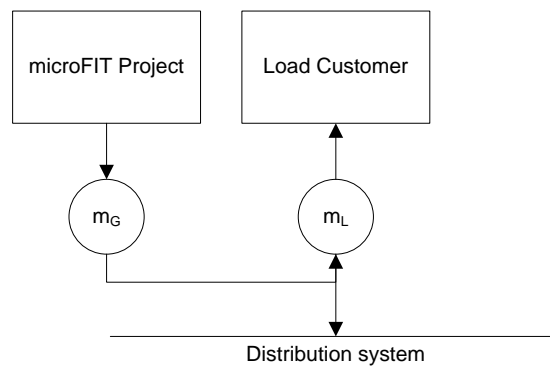


Figure 2 – Indirectly connected microFIT Project (in parallel)

- (b) Battery back-up systems are not permitted for directly connected facilities. Battery back-up systems are permitted using the back-up configuration diagrammed in Figure 3 below. Battery back-up systems may not, under any circumstances, be connected between the Renewable Generating Facility and the generation meter (m_f).

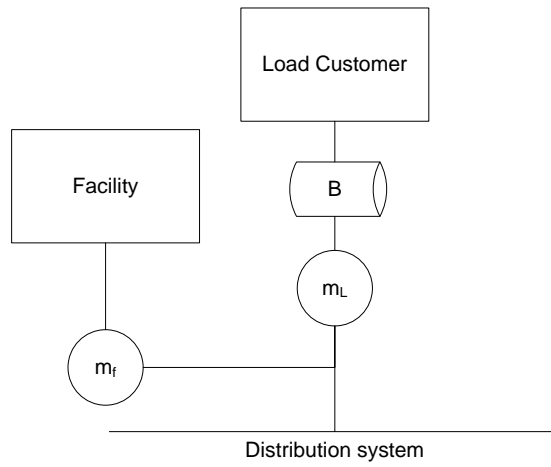


Figure 3 – Acceptable battery back-up for in parallel indirectly connected microFIT Project

- (c) Output from the microFIT Project must be metered separately and the metering must meet the LDC’s requirements.
- (d) Any meter associated with the microFIT Project must be owned by the LDC.

Section 4 – Contract Form and Execution

4.1 *microFIT Contract*

- (a) After the connection of the Applicant’s microFIT Project to the LDC’s distribution system has been completed, the LDC will provide the IESO with certain information about the microFIT Project, including:
 - 1) name of the Applicant as written on the Generator Account and Connection Agreement (if the Applicant is more than one Eligible Participant, each Eligible Participant must be a party to the microFIT Contract);
 - 2) Generator Account number;
 - 3) Nameplate Capacity of the microFIT Project in kW (and in the case of solar (PV) will include the inverter rating and solar panel rating);
 - 4) confirmation of the type of Renewable Fuel;
 - 5) connection point and configuration (i.e. directly connected or in-parallel connection); and
 - 6) the date that the project is physically connected to the LDC’s distribution system in compliance with all requirements of the LDC, with suitable metering configurations appropriate for the calculation of Generation Payments under the

microFIT Contract as shown in Section 3.7, and with the applicable Generator Account established for the microFIT Project.

- (b) The IESO will prepare and provide notice to the Applicant that a microFIT Contract has been offered for the applicable microFIT Project once the IESO has received confirmation and the connection details from the applicable LDC that the microFIT Project has been connected.
- (c) The Applicant must access its My microFIT Home Page to accept the microFIT Contract.
- (d) The IESO may, in its sole and absolute discretion, revoke a contract offer if the Applicant has not accepted the offer in a reasonable period of time. For certainty, the offer will remain valid for 45 days.
- (e) Generation Payments will not be issued until the Applicant accepts the microFIT Contract.

4.2 microFIT Contract Execution

- (a) Acceptance by the Applicant of the microFIT Contract through electronic contracting in compliance with the IESO's requirements will complete the execution of the microFIT Contract.
- (b) The microFIT Contract will be valid only for the microFIT Project described in the contract.
- (c) The Applicant must accept the contract offer in order to be paid under the microFIT Contract for electricity generated by its Renewable Generating Facility.
- (d) The contact information for notices in the microFIT Contract must include the contact information of the Applicant and not solely a representative of the Applicant.

Section 5 – Contract Term, Contract Price and Generation Payment

5.1 Contract Term

- (a) If accepted by the Applicant, the term of the microFIT Contract will be deemed to commence on the Contract Commencement Date.
- (b) For microFIT Projects other than waterpower projects, the length of the contract term will be 20 years. For microFIT Projects that are waterpower projects, the length of the contract term will be 40 years.

5.2 Contract Price and Generation Payments

- (a) The Contract Price for the microFIT Project will correspond to the FIT Price Schedule in effect for the Renewable Fuel on the date the Application Approval Notice was issued. The Generation Payment will equal the Contract Price (as adjusted from time to time by

the Percentage Escalated, if applicable) multiplied by the metered electricity output in kWh.

- (b) For certain Renewable Fuels, the FIT Price Schedule may include an annual escalation of a specified percentage of the Contract Price on the basis of increases in the Consumer Price Index (“CPI”) relative to the CPI applicable at the date specified in the FIT Price Schedule. The Contract Price shall not be adjusted downward for decreases in the CPI.

The on-farm biogas price, the community price adder, or the aboriginal price adder noted in the FIT Price Schedule are not available under the microFIT Program. Also, waterpower projects and bio-energy projects under the microFIT Program will not receive on/off peak pricing.

- (c) The Generation Payment will be paid by the LDC according to the established meter reading and Settlement Periods of the LDC.
- (d) The LDC will pay the Supplier for the metered electricity output by the microFIT Project according to the Retail Settlement Code, the Connection Agreement and the microFIT Contract.
- (e) Settlement of the Generation Payments will be net of station service load and any loss factors that may be applied by the LDC consistent with the Retail Settlement Code. Suppliers should also note that they will be responsible for charges and fees that are associated with their Generator Account.

Section 6 – Additional Rules

6.1 Applicant Responsibilities

- (a) The Applicant is responsible for ensuring that the microFIT Project complies with the requirements of the Electrical Safety Authority, the applicable LDC Conditions of Service, the microFIT Rules, and that it does not contravene any laws, regulations, codes, etc., including those of the municipality in which the project is located.
- (b) The Applicant is responsible for providing and updating valid contact information including postal address and email address for the purpose of correspondence related to the microFIT Program and is responsible for monitoring for emails from the IESO and regularly checking its My microFIT Home Page for updates and notices. The Applicant is responsible for retaining and protecting its user name and password for its My microFIT Home Page. The IESO will not be responsible for the Applicant’s failure to perform the responsibilities set out in this section. The IESO will address communications regarding an Application to the Applicant’s primary contact.
- (c) The Applicant is responsible for ensuring that it understands all legal requirements and implications of entering into a microFIT Contract, including whether it must charge and remit GST for Generation Payments, whether and how much income tax it may have to

pay, and property tax implications. The Applicant is also responsible for determining how much and what type of insurance to obtain.

- (d) The Applicant is responsible for the arrangements and contracts made or entered into with third party service providers. Notwithstanding any such arrangements with third party service providers, the Applicant is responsible for ensuring that it has satisfied all requirements of these microFIT Rules and, if the Applicant and IESO enter into a microFIT Contract, the Applicant will be responsible for the obligations contained in that contract.
- (e) All Applications and requests will be prepared at the sole cost and expense of the Applicant. Neither an LDC nor the IESO will be liable to pay any Applicant's/Supplier's costs or expenses under any circumstances. In particular, neither an LDC nor the IESO will reimburse the Applicant in the event of the termination of any or all Applications or requests or in the event of the cancellation, suspension or change of the microFIT Program at any time.
- (f) The IESO may cancel all or any part of the microFIT Program at any time and for any reason, or may suspend the microFIT Program in whole or in part for any reason for such period of time as the IESO shall determine in its sole discretion, in each case without any obligation or any reimbursement to the Applicants. For Applicants that receive an Application Approval Notice prior to the date of such cancellation or suspension, the IESO will offer microFIT Contracts to these Applicants if the conditions are satisfied. Cancellation or suspension of the microFIT Program will not affect executed microFIT Contracts.
- (g) Notwithstanding anything contained in these microFIT Rules, the IESO may terminate any Application in its sole and absolute discretion whether or not completed properly and whether or not it contains all necessary information.
- (h) The microFIT Contract provides that all Environmental Attributes otherwise applicable to the microFIT Project or available to a Supplier in respect of the microFIT Project, are absolutely and unconditionally transferred and assigned to the IESO.

6.2 Personal Information

- (a) Collection of Information. To ensure the integrity and proper operation and management of the microFIT Program, the IESO, the LDC(s) and the Ministry of Energy, and certain other Ontario government ministries require certain information about the Applicant/Supplier and the proposed microFIT Project that is submitted in an Application and the microFIT Contract (if applicable). In addition, the IESO, the LDC(s) and Ontario government ministries may need to obtain certain information, such as property identification information, property zoning or other land use information, GST number, and information to establish that the Applicant/Supplier is an Eligible Participant from third parties to confirm information provided by the Supplier and to otherwise ensure the integrity of the microFIT Program and compliance with the terms of the microFIT

Contract. The IESO, the LDC(s) and Ontario government ministries may disclose information collected to each other and may collect information from one another for the purpose of the proper operation and management of the microFIT Program or the management of microFIT Contracts.

- (b) Disclosure of Information. The IESO may disclose to the LDC(s) and the Ministry of Energy, and certain other Ontario government ministries, certain information that is contained in the Application and the microFIT Contract (if applicable), including without limitation, Applicant's or Supplier's name, facility location, microFIT Program eligibility characteristics, Supplier's electricity generation, pricing and payments. This information that will be shared will be limited to that which the IESO reasonably believes to be necessary to ensure proper management and the integrity of the microFIT Program, including without limitation, using the information to generate microFIT Program analysis, assessments, reporting, administrative, operational or planning purposes or for purposes of public awareness of the microFIT Program or similar programs for alternative electricity generation, electricity conservation or electricity generating technology, use or operations. The IESO may disclose certain information, including the details of the facility and location of the facility, to other government ministries, agencies, institutions or organizations, for purposes of promoting public health and safety and allowing emergency services personnel, as well as other public officials to plan and respond properly in the event of an emergency. In addition, to facilitate proper municipal and land use planning, the IESO and the LDC(s) may disclose details of the Application including the Reference Number, the proposed facility's location, type of Renewable Fuel, and project size to the municipality in which the project is to be located, or if the project is to be located on "reserve lands" or "special reserves" as set out in the *Indian Act* (Canada) to the "band council" for such reserve in which the Facility is situated.
- (c) Consent. By submitting an Application, the Applicant acknowledges the collection, use and disclosure/sharing of information described in this section, and Applicant consents to such collection, use and disclosure/sharing of information as described in this Section (together with the terms set out in the IESO's Privacy Policy which can be accessed on the microFIT Program website). The Applicant waives any claim, defence or other action against the IESO, the LDC(s), the Government of Ontario (and all of the Ministries therein) as well as the municipality to which the information is shared, as a result of or related to the collection, use and/or disclosure and sharing of such information as provided in this Section or as otherwise set forth in IESO's Privacy Policy.

6.3 *Resolving Inconsistencies*

To the extent that there is any inconsistency between these microFIT Rules and the microFIT Contract, the microFIT Contract shall prevail.

Section 7 – Program Review

- (a) The IESO intends to review and amend as necessary the microFIT Program, the microFIT Rules, and the Eligible Participant Schedule at periodic intervals (“Program Review”). The IESO may make an amendment outside of a Program Review in response to ministerial directives, changes in laws and regulations, significant changes in market conditions or other circumstances as determined by the IESO in its sole and absolute discretion. The IESO intends to review and amend the FIT Price Schedule annually or more frequently if necessary due to changing market conditions.
- (b) Any amendment to the microFIT Program, the microFIT Rules and microFIT Contract will not affect existing microFIT Contracts and will not affect Applicants that have received an Application Approval Notice at the time notice of an amendment is given, except to the extent that an amendment to the microFIT Program, the microFIT Rules or the microFIT Contract restricts a future assignment of the Application or the microFIT Contract, in which case such restrictions on future assignments will apply to the existing microFIT Contracts and any Applicants that have received an Application Approval Notice at the time notice of an amendment is given. The IESO shall be deemed to be acting reasonably if it withholds its consent to any assignment that does not conform with such restrictions on future assignments.

Section 8 - Definitions

Abut means in respect of two or more properties, properties that have a common border or boundary or are only separated from such common border or boundary by a right-of-way (other than a right-of-way in respect of which the owner, lessee, occupant or resident of one of such properties has a property interest) having a width, at any point, of not greater than 15 metres. For greater certainty, properties separated by “highways” (as defined in the *Highway Traffic Act*, R.S.O. 1990, c. H.8) or “railways” (as defined in the *Canada Transportation Act* S.C. 1996, c.10) do not Abut.

Annual Procurement Target means the maximum annual number of microFIT Applications or megawatts that the IESO will approve as set by the IESO in its discretion from time to time and posted on the microFIT Program website.

Applicant means the Eligible Participant who has submitted an Application and will become the Supplier upon accepting a microFIT Contract.

Application means an application submitted online to the IESO for a proposed microFIT Project.

Application Approval Notice means the notice issued by the IESO pursuant to Section 3.5.

Biogas has the meaning given to it in Ontario Regulation 328/09, made under the *Electricity Act*, as published in *The Ontario Gazette* on September 26, 2009, but does not include landfill gas.

Business Days means any day that is not a Saturday, a Sunday, or a legal holiday in the Province of Ontario.

Connection Agreement means a “Micro-Embedded Generation Facility Connection Agreement” entered into between a LDC and a Supplier as prescribed by the Distribution System Code.

Connection Impact Assessment means an assessment conducted by an LDC to determine the impact on the distribution system of connecting a generation facility to its distribution system.

Connection Request is a request made to a LDC by an Applicant to connect a microFIT Project in accordance with the Ontario Energy Board’s Distribution System Code.

Contract Commencement Date has meaning given to it in Section 3.6 of these microFIT Rules.

Contract Price means the price that is set out by the FIT Price Schedule and specified in the microFIT Contract.

CPI means the consumer price index for “All Items” published or established by Statistics Canada (or its successor) for any relevant calendar month in relation to the Province of Ontario.

Deemed Single Property means:

- (a) a property that has its own Property Identification Number or other legal description that is not a property described in (b), (c) or (d);
- (b) all properties that have separate Property Identification Numbers or other legal descriptions, that Abut each other and that:

- (i) have the same owner or the owner of one leases the other, or
- (ii) may not be separately conveyed pursuant to Sections 50(3)(a), 50(3)(b), 50(3)(f), or 50(5)(a) of the Planning Act (Ontario);
- (c) leased lands located on provincial or federal Crown lands and lands Abutting such first lands that are leased by the same person or entity; or
- (d) lands located on “reserve lands” or “special reserves”, as set out in the *Indian Act* (Canada), where the permission to use such lands is granted by way of a single resolution of the applicable band council and any lands Abutting such first lands where the same person or entity that holds the permission to use the first lands also holds the permission to use the Abutting lands.

Distribution System Code means the “Distribution System Code” established and approved by the Ontario Energy Board as amended from time to time, which, among other things, establishes the obligations of an LDC with respect to the services and terms of service to be offered to customers and retailers and provides minimum technical operating standards for Distribution Systems.

Electricity Act means the *Electricity Act, 1998* (Ontario).

Electrical Safety Authority or ***ESA*** means the person or body designated under the *Electricity Act* regulations as the Electrical Safety Authority.

Electrical Safety Authority Connection Authorization means a connection authorization issued by the ESA for the proposed microFIT Project.

Eligible Participant has the meaning given to it in the Eligible Participant Schedule.

Eligible Participant Schedule means the schedule that defines persons and entities who are eligible to submit an Application and who are eligible to be Suppliers, as amended from time to time by the IESO in its sole discretion.

Environmental Attributes means the interests or rights arising out of attributes or characteristics relating to the environmental impacts associated with a Renewable Generating Facility or the output of a Renewable Generating Facility, now or in the future, and the right to quantify and register these with competent authorities, including:

- (a) all right, title, interest and benefit in and to any renewable energy certificate, credit, reduction right, offset, allocated pollution right, emission reduction allowance or other proprietary or contractual right, whether or not tradable, resulting from the actual or assumed displacement of emissions by the production of electricity from the microFIT Project as a result of the use of renewable energy technology;
- (b) rights to any fungible or non-fungible attributes or entitlements relating to environmental impacts, whether arising from the microFIT Project itself, from the interaction of the microFIT Project with the IESO-Controlled Grid, a distribution system or the Load Customer, or because of laws and regulations or voluntary programs established by governmental authorities;

- (c) any and all rights, title and interest relating to the nature of an energy source (including a Renewable Fuel) as may be defined and awarded through laws and regulations or voluntary programs, including all emission reduction credits; and
- (d) all revenues, entitlements, benefits, and other proceeds arising from or related to the above that may be available in connection with the microFIT Project,
- (e) but excluding:
 - (i) payments under the Government of Canada’s ecoENERGY for Renewable Power Program (or any predecessor or successor program thereto) that may be available in connection with a Renewable Generating Facility;
 - (ii) any tax or other benefit under the Government of Canada’s Canadian Renewable and Conservation Expenses (CRCE) or successor program that may be available in connection with a Renewable Generating Facility; and
 - (iii) such other items as the IESO may determine in its sole discretion at any time and from time to time. Such excluded items will be posted on the microFIT website and revised periodically.
- (f) For greater certainty, in the event that any governmental or non-governmental agency, whether provincial, federal, national or international in scope or authority, creates or sanctions a registry, trading system, credit, offset or other program relating to Environmental Attributes or their equivalent, the term “Environmental Attributes” as used in the microFIT Contract shall include the rights or benefits created or sanctioned under any such program or programs to the extent available as a result of, or arising from, the production of electricity or Related Products from the microFIT Project.

Existing Building means a building that (a) was in existence and completely constructed on the date that the Applicant first submitted its Application, or (b) in respect of which the IESO has issued, in its sole and absolute discretion, a written confirmation that the building will be deemed an Existing Building for the purposes of the definition of Rooftop Solar Facility.

Feed-in Tariff Program or **FIT Program** means the Renewable Energy Feed-In Tariff Program established by the IESO.

FIT Direction means the direction issued by the Minister of Energy and Infrastructure on September 24, 2009, as amended, directing the development of the Feed-in Tariff Program.

FIT Price Schedule means the schedule of prices established by the IESO from time to time, in its sole discretion that will be used to determine the Contract Price for a microFIT Contract, differentiated by Renewable Fuel, Nameplate Capacity and other factors as determined by the IESO.

Generation Payment means an amount paid to the Supplier pursuant to the microFIT Contract for the metered electricity output by the Renewable Generating Facility that is the subject of the microFIT Contract.

Generator Account means an LDC customer account for a microFIT Project that is a separate customer for settlement purposes (separate and apart from any associated Load Customer).

GST means the goods and services tax eligible pursuant to the *Excise Tax Act* (Canada), or any successor thereto, including for greater certainty the “Harmonized Sales Tax”.

IESO means the Independent Electricity System Operator.

IESO-Controlled Grid has the meaning given to it by the IESO Market Rules.

IESO Market Rules means the rules made under Section 32 of the *Electricity Act*, together with all manuals, policies, and guidelines issued by the IESO, as may be amended from time to time.

kW means kilowatt.

kWh means kilowatt-hour.

Land Use Planner means a person who is a member in good standing of the Canadian Institute of Planners and is a registered professional planner in Ontario.

Lawfully Permitted Use means a use permitted by:

- (a) a zoning by-law passed pursuant to Section 34 of the *Planning Act* (1990); or
- (b) in territories without municipal organization, land use control imposed by:
 - 1) a planning board being established and passing zoning by-laws; or
 - 2) zoning orders made by the Ontario Minister of Municipal Affairs and Housing;
or
- (c) a development permit issued pursuant to a development permit by-law.

LDC Conditions of Service is a document developed by the LDC according to the Ontario Energy Board’s Distribution System Code that describes the operating practices and connection rules for the LDC.

Load Customer means a premise connected to both the LDC’s distribution system and the microFIT Project.

Local Distribution Company or **LDC** means a corporation incorporated pursuant to Section 142 of the *Electricity Act* licensed by the OEB as an “electricity distributor” that is the owner or operator of an electricity distribution system that is connected to the IESO-Controlled Grid.

microFIT Contract means the agreement between a Supplier and the IESO for a microFIT Project.

microFIT Program means the Feed-in Tariff Program developed for renewable energy projects that are 10 kW or less in capacity.

microFIT Project means a project to develop and operate a Renewable Generating Facility with a Nameplate Capacity of less than or equal to 10 kW that will be the subject of a microFIT Contract.

microFIT Rules means these rules, as may be amended in accordance with its terms, from time to time.

My microFIT Home Page has the meaning provided in Section 3.1 of these rules.

Nameplate Capacity means the manufacturer's total installed rated capacity of the microFIT Project to generate electricity and, in the case of a solar (PV) facility, means the lesser of (i) the manufacturer's total installed rated capacity of the solar panels, and (ii) the manufacturer's specified maximum power output of the inverter(s), neither of which may be greater than 10 kW.

Non-Rooftop Solar Facility means a solar (PV) Renewable Generating Facility that is not a Rooftop Solar Facility.

Percentage Escalated means the percentage of the Contract Price that escalates on the basis of increases in the Consumer Price Index, as set out in the FIT Price Schedule.

Program Review has the meaning given to it in Section 7(a) of these microFIT Rules.

Property Identification Number means the property identifier assigned to a property in accordance with the *Registry Act*, R.S.O. 1990, c. R.20, s. 21(2) or in accordance with the *Land Titles Act* R.S.O. 1990, c. L. 5, s. 141(2).

Reference Number means the reference number that is assigned to a microFIT Project when the Application is submitted and is used through the Application process and, if a microFIT Contract is executed, for the term of the microFIT Contract.

Renewable Biomass has the meaning given to "biomass" in Ontario Regulation 328/09, made under the Electricity Act, as published in The Ontario Gazette on September 26, 2009, but may also include supplementary non-renewable fuels other than coal used for start up, combustion, stabilization and low combustion zone temperatures that shall be no more than ten per cent (10%) of the total fuel heat input in any calendar year for Electricity generation units with a gross nameplate capacity of 500 kW or less.

Renewable Energy Approval means the approval issued by the Ontario Ministry of the Environment under Section 47.3 of the *Environmental Protection Act* (Ontario).

Renewable Fuel means wind, solar photovoltaic (PV) in a Rooftop Solar Facility, solar (PV) in a Non-Rooftop Solar Facility, Renewable Biomass, Biogas, landfill gas or waterpower.

Renewable Generating Facility means an electricity-generating facility that generates electricity exclusively from a Renewable Fuel.

Retail Settlement Code means the code established and approved by the Ontario Energy Board as amended from time to time, which governs the determination of financial settlement costs for electricity retailers, consumers, distributors and generators.

Rooftop Solar Facility means a solar (PV) Renewable Generating Facility that is integrated into or forms part of the wall facing, roof, cover, or other architectural element that forms part of a permanent Existing Building that has been designed to be used for the purpose of providing enclosure, shelter or protection to people or property, provided that one of its main purposes is

not to support a solar power installation or to provide shelter from the sun. An Existing Building will be considered to have a main purpose of supporting a solar power installation or providing shelter from the sun where the building or part of that building would not reasonably have been constructed in the absence of the solar (PV) Renewable Generating Facility.

Settlement Period means the schedule consistent with the monthly, bimonthly, quarterly or other periodic billing cycle of the applicable LDC.

Supplier means the Eligible Participant identified as the “Supplier” in the microFIT Contract.