



National Farmers Union Region 3 (Ontario)

June 2010 Statement on Renewable Energy and the Ontario Green Energy Act

The National Farmers Union supports the production of energy from renewable, sustainable sources including solar, wind, and low-impact hydro to help conserve the remaining fossil fuel supply and to minimize the environmental impacts of energy extraction and production. We believe the production of renewable energy must be under the control and ownership of farmers, rural communities and the broader public. The development of energy resources should not be left under the control of multinational corporations or private interests. We are opposed to the development of new nuclear plants due to the environmental costs associated with the storage of radioactive waste.

We recognize that fossil fuel resources are being rapidly depleted and that there will likely be a peak or plateau sometime between now and 2030. Fossil fuel resources are used not only for transportation, the production of farm inputs and in farm machinery, but also for the production of electricity.

We support the Feed-In Tariffs, as long as they are used to maximize benefits to farmers and rural communities.

Our perspective on Renewable Energy Production in Ontario:

Conservation Must Come First:

Although one of the goals of the Ontario Green Energy Act is to create a culture of conservation, this is not the first priority nor the main goal of the act. Instead, the focus of the act is on the production of energy, albeit through the production of 'green' energy like wind, solar, hydro and biogas. If conservation of energy was made a top priority, our need to produce more and more energy would decrease. A decrease in the production and extraction of energy, including electricity and fossil fuels, would help lessen the many negative environmental, health, and social impacts of energy production and extraction.

Creating a culture of energy conservation requires a multifaceted approach. The NFU has many policies that although not directly related to renewable energy, if implemented would lead to a reduction in energy use, for example, increased public transportation, increased use of rail to move cargo, more widespread adoption of organic and low-input farming practices and the development of true local food systems.

Recommendations:

The Government of Ontario needs to make conservation the first priority within the Green Energy Act and within the government as a whole. There needs to be much more research and more incentives to conserve electricity and fossil fuels, to both address the environmental and social impacts of their production and distribution and the depletion of oil and gas reserves.

- the Government of Ontario needs to acknowledge that peak oil concerns are credible, and with this acknowledgement make energy conservation a top priority.
- the Government of Ontario needs to do research on how to re-orient food, agriculture and trade policies to conserve energy in all its forms and to address the depletion of fossil fuels worldwide.

Feed-In Tariffs:

The NFU supports Feed-In Tariffs (FITs). FITs offer opportunities for non-corporate projects. Cooperatives and other community-based projects would have a hard time competing with corporate giants in preparing competitive bids without the standing offer of a fixed price for electricity to be generated over the long-term. NFU policy states that FITs must be applied so that farmers and rural communities benefit. The Feed-In Tariff prices offered at this time by the Ontario Power Authority offer additional benefits to small-scale renewable energy projects through higher prices for microFITs and other small projects. In addition, there is a price adder for projects that are genuine community-based projects. Small scale photo voltaic projects, which come under microFIT programs, as well as larger biogas facilities, have the most potential to remain under the control of farmers and rural communities.

However, the microFIT program is also creating what some have called a 'wild west' scenario across rural Ontario, especially for solar photo voltaic units. With so many companies jumping into the small scale solar industry, farmers need much more information on how to decide which companies are legitimate, which companies are likely to survive in the long-term to provide necessary maintenance, repair and upgrade of solar panels, and how to determine which companies are providing quality equipment and connections.

Small scale projects, including community-based initiatives and farmer-controlled projects, are finding it difficult to access funding.

Recommendations:

The Ontario Ministry of Energy and Infrastructure should:

- compile information to help farmers and others make informed decisions about reliable photo voltaic units;
- look at licensing or registering companies selling solar photo voltaic units and other farm-sized equipment;
- improve the availability of funding for small-scale, community-based projects.

Ontario Green Energy Act Approvals Process:

Most large scale wind and solar projects will be erected in rural communities. Under the Green Energy Act, large scale solar projects are no longer allowed on class 1 and 2 farmland, a regulation the NFU supports. However, since wind turbines do not use a significant amount of land, most wind turbines are being erected on farm land, and therefore, in rural communities. Wind turbines tend to be erected as 'wind farms' with a number of large turbines on neighbouring farms. With a few exceptions, wind farms in Ontario are being erected by large energy companies, often from outside Ontario or with backing from outside the province.

The approvals process of the Green Energy Act facilitates the loss of farmer and rural community control over what happens in our communities, especially in relation to industrial wind developments.

Community Consultation Process: The public consultation required under the Renewable Energy Approval process for larger wind or solar projects is intended to *'help build local support'* for the project. There is little opportunity through the mandated public consultation process for community members to jointly discuss the pros and cons of the proposed project or to jointly address how they will be impacted by the project. Farmers and rural residents who have legitimate concerns about the impact of industrial wind developments in their backyards find this pseudo-consultation demeaning.

Recommendations:

The Ontario Ministry of Energy and Infrastructure needs to:

- change the goals and process of the community consultation requirement of the Green Energy Act. The goal of community consultation needs to be not just to build local support for the project, but to acknowledge community concerns and to provide mechanisms to address those concerns. When concerns are brought forward, the developers must be required to detail how

they will deal with those concerns to the satisfaction of the community. There must be a possibility of a project not proceeding if the community does not feel their concerns have been adequately addressed;

- require that the consultations be led by trained, independent facilitators who are able to bring out a discussion of both the pros and cons of the proposed project;
- find a means to better address community and public concerns about future health issues related to the generation of renewable energy.

Municipal Authority: The approvals process that came into effect with the passage of the Green Energy Act, gives all control over the approval of renewable energy projects, whether those be small or large to the province. Municipalities, and thus communities, no longer have any control over siting, land use planning, zoning or other community impacts.

In the past rural municipalities, like Wolfe Island and Melancthon, were able to negotiate amenity agreements with industrial wind developers which acknowledged the impact of large-scale wind turbines on the broader community. These types of amenity agreements are no longer possible because rural municipalities and rural communities no longer have any real power to negotiate with large energy companies.

Options must be available to acknowledge the impact of large-scale renewable energy projects on the wider community and provide benefits and compensation to the community, not just to wind developers and individual farmers.

Recommendations:

The Ministry of Energy and Infrastructure

- must return planning, permitting and zoning powers to municipalities so that the wider community has the opportunity to address its broader concerns and negotiate for changes that more fully address the community concerns and/or provide full community compensation.

Domestic Content Requirements:

We support this portion of the green energy act and would like to see the domestic content requirements for all renewable energy projects, small or large, move towards 75% Canadian content so that the jobs and the profits stay in Ontario. We would like to see many of these manufacturing jobs created in rural communities. In addition, we recognize the need to have equipment which is well-designed and well-built and recognize it may take time to develop this expertise in Ontario, so there needs to be time to move towards 75% Canadian content.

Recommendations:

Farmers erecting microFITs on their farms must have reliable units, including microFIT solar photo voltaic units are well designed and well built. If there is not sufficient quality units that meet the 60% Ontario content by the end of 2010 we would like to see a relaxation of the domestic content time line. However, we full support the move to the 60% Ontario content for solar units and down the road we would like to see 75% Canadian content for all renewable energy projects.

Control and Ownership of Renewable Energy Production and Distribution:

The NFU believes renewable energy projects must be owned and controlled by local communities and that the profits and benefits of such projects must go to the community and the public at large. Through the Green Energy Act, as it now stands, industrial wind developers have the potential to take the control and majority of the benefits of a rural resource, wind, away from farmers and rural communities. Although there are a few community-based cooperative renewable energy projects, the majority of the renewable energy production projects already operating or being erected in the province are owned and operated by private, energy corporations whose decisions are driven primarily by profit.

Ontario's electricity system was developed for the benefit of the people of Ontario, through public ownership of the production and distribution of electrical power. Along with the public ownership of

the electrical system, electricity was sold to consumers at cost. In order to facilitate the development of renewable energy, the Green Energy Act increases the cost of electricity to consumers by offering contracts for renewable power that are far above the amount we now pay for electricity. This continues the move away from 'at-cost' hydro, the practice on which Ontario's electrical generation and distribution system was built.

Smaller scale microFIT projects being erected by farmers themselves can be seen as part of the move towards privatization of energy production. However, as these small projects are more likely to remain under the control of farmers and rural communities we support individual generation for personal use and for sales back to the grid.

The continuing trend to open the doors to large, private renewable energy producers brings with it a risk that most of the financial benefits of renewable energy production will leave the province, rather than stay in our communities to the benefit of farmers, workers and eaters.

Endnote: This statement on renewable energy and the Green Energy Act is based on NFU national policy and on policy resolutions passed at the Region 3 (Ontario) Convention in March 2010. The Ontario Regional Council, Ontario NFU Locals and NFU members are continuing to research and discuss the implications, including health impacts, of the Green Energy Act and the production and distribution of renewable energy on farmers and rural communities. This research and discussion is likely to lead to additional policies and position statements from the NFU on the production and distribution of renewable energy in Ontario.

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