Ontario Federation of Agriculture

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Mathew Peltier
Ministry of Energy, Energy Supply Policy Division
7th floor, 77 Grenville Street
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Via email to Mathew.Peltier@ontario.ca and submitted online through the Environmental Registry of Ontario and the Ontario Regulatory Registry

Dear Mathew Peltier,

Re: ERO 019-7853 & Regulatory Registry posting 23-ENDM035 - Ontario Regulation 429/04 Amendments Related to the Treatment of Corporate Power Purchase Agreements

The Ontario Federation of Agriculture (OFA) proudly represents more than 38,000 farm businesses across the province, supporting our members and the agriculture industry on issues, legislation and regulations governed by all levels of government. We are the leading agricultural advocate for Ontario farmers, their businesses, and their communities.

On behalf of the OFA, I would like to provide you with an agricultural perspective on proposed amendments to O. Reg 429/04, to allow Industrial Conservation Initiative (ICI) participants to enter Power Purchase Agreements (PPAs) with certain types of off-site renewable generation facilities. Our topline feedback is summarized below:

- Regulators should prioritize the siting of energy and storage infrastructure on commercial and industrial land and discourage siting on Canada Land Class 1 through 4 or Specialty Crop Lands.
- Many areas with capacity to upload power for ICI virtual net metering PPAs are heavily engaged in farming, and in some cases, local parcel sizes may be too small to secure Primary Agricultural Land Class designation.
- Only after alternative locations have been evaluated, and there are no reasonable alternative locations which avoid prime agricultural areas, or prime agricultural areas with lower priority agricultural lands, should rural lands be considered. This is meant to ensure the avoidance of siting infrastructure on Ontario's finite and declining farm lands.
- All energy generation and storage proponents and owners, should be contractually obligated, in the case of a system failure event, and at decommissioning of a system, to restore environments, and restore the land to its original purpose.

- Programs designed to establish net metering systems must include strong collaboration between developers, land owners, local government and the public. Improve public engagement to encourage compromise between grid capacity restrictions limiting site options, and host site objections.
- Explore community based solutions and encourage municipal participation in these programs. Increasing Community Net Metering (CNM) helps customers manage energy costs and supports innovation.
- OFA supports the recent efforts of the provincial government to Simplify And Clarify Net Metering Regulatory Requirements. The Ministry of Energy and energy regulators should consider developing Virtual Net Metering (VNM) programs for Class B customers that have more than one metered account and the ability to generate power at one site and the demand at other site(s).

The proposed amendments, to allow ICI participants to enter Power Purchase Agreements (PPAs) with certain off-site renewable generation facilities, aims to reduce levels of system peak demand while also supporting new clean generation.

The IESO Pathways to Decarbonization Report (Pathways), and the Ministry of Energy Powering Ontario's Growth Plan, envision that Ontario will more than double clean electricity system capacity by 2050, to supply increased demand driven by higher electrification of key energy use sectors. This includes 6,000 megawatts of transmission-level solar capacity in the near-term.

The amount of arable farm land in Ontario is limited. The expansion to a decarbonized and more electrified energy system will add significant strain to rural and agricultural land inventories. To ensure transmission zones efficiently supply local demands and balance connecting zone demands, Pathways estimates 2.18 million acres of land are required to complete Ontario's 2050 electricity system buildout, mostly decentralized throughout rural regions of the province.

Combined with this potential farmland loss, proposed amendments to O. Reg 429/04 will also allow storage and generation proponents to add thousands of megawatts to rural distribution systems to supply peak demand management to ICI participants. While OFA supports opportunities for farms to host solar facilities, we recommend that installations be mounted on existing buildings, in windrows, buffer zones, scrub lands and over parking and loading areas, and not ground mounted in prime agricultural lands.

While the proposed amendments to O. Reg 429/04 do not directly impact energy regulator procurement processes, we recommend decisionmakers consider the results of previous renewable energy procurements. For example, the Large Renewable Procurement and Feed-in-Tariff programs did little to ensure municipalities and residents had any meaningful input to collaborate with proponents on preferred facility siting. Instead of fostering collaboration, the programs typically pitted rural resident against rural resident, and inadequately protected agricultural lands in areas with little or no prime agricultural land, yet still defined as primarily agricultural communities.

During the buildout of our energy systems to meet 2050 demand, we hope the Ministry of Energy and Ontario energy regulators considers the importance of their roles in protecting the sustainability of Ontario's food production, and work towards inclusive local engagements. Ontario's agricultural communities and farmland are critically important to ensuring we continue to be a source of healthy and reliable food production to the province and the world.

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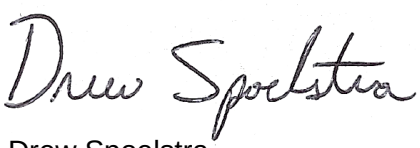
Sincerely,



Drew Spoelstra
President

cc: Hon. Lisa Thompson, Minister, Ontario Ministry of Agriculture, Food and Rural Affairs
Hon. Todd Smith, Minister, Ontario Ministry of Energy
OFA Board of Directors