

Fair Solar Ontario
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2009.12.04

Ms. Kirsten Walli, Secretary
Ontario Energy Board
BY EMAIL TO: boardsec@oeb.gov.on.ca

Dear Ms. Kirsten Walli;

RE: EB-2009-0326
Elimination of Connection Fees for MicroFIT Projects

As a dedicated network of early adopters of small solar projects - mostly around 2kW - we welcome the Board's new objectives:

1. The promotion of renewable energy, including the timely connection of renewable energy projects to transmission and distribution systems;
2. The promotion of conservation and demand management; and
3. The facilitation of the implementation of a smart grid;

and are equally pleased by the Board's renewed commitment to economic efficiency, cost effectiveness, consumer protection, and promotion of public confidence in this new and emerging sector.

As the Board wrestles with the notion of fees and charges for small systems such as ours, we would like to put forward a few objectives and concerns of our own:

1. Because we were early adopters, we already have gone through one hassle after another with City permits, LDCs unfamiliar with how to connect us, and most recently the threat of not being able to participate in the microFIT program.

In addition, those who participated in the RESOP faced connection and administration fees that varied with every system, but were uniformly excessive in that they greatly reduced income for small-scale producers. In fact, there are numerous examples of people paying more to local companies in fees than they received for the electricity they produced. For instance, in the period November 28, 2008 to February 2, 2009, a Fair-Solar network member with a 1.6 kW solar PV system reports a total energy credit of \$12.06, which, after the administration charge of \$17.16 per month + GST, resulted in a *payment to* their LDC of \$23.98 for the privilege of providing solar power to the grid. Less dramatically, but nonetheless likely to deter additional small-scale producers, a 1kW system producing 1,100kWh/year would expect microFIT revenues of about \$882 per year or \$73.51 per month. If the LDC account fee were to be as “low” as \$15.00 per month, it would equate to a loss of more than 20% of revenues and dramatically extend one’s payback period for the system.

We believe that we and those who undertake future small scale projects such as ours deserve to have connection to transmission and distribution systems made as easy, simple, timely and financially fair as possible;

2. As early adopters, we made a commitment to solar energy because we believe it is the right way to go. Even with the new microFIT pricing, renewable energy requires a large capital investment that will take far, far longer to recover than virtually any other capital expenditure. It is our hope that, by the time we start to see returns from our investment, our efforts will have helped ensure that future generations of equipment will be much less expensive, making the renewable option more feasible and accessible to more people.

Although well aware of the costs and financial risks of investing in renewable energy, we assumed the costs and took the risks. The people who follow us are going to be even more sensitive to these costs and risks. Additional fees – for connecting to the grid or administering the microFIT Program – that are passed on to people who already are paying a premium to do the right thing will likely deter many who are considering a renewable energy investment.

Having had our own modest generation capacity in place for some time, we can say unequivocally that we have become even more aware of our own rates of consumption and consequently, more conservation-minded than would otherwise have been the case. In other words, we – and those who make a similar investment for at least the next few years – have made a major contribution to promoting conservation and demand management.

3. Finally, we believe that the surest way to facilitate rapid implementation of renewable energy systems is to ensure that system installations and connection are as simple and

inexpensive as possible. To that end, we urge the Board to establish "no fee" as the cost for connecting to LDCs across Ontario.

By the same token, we urge the Board to mandate that no monthly customer account fees be charged for these generation accounts. We recognize that different LDCs will incur different connection and administrative costs, owing to different technology and billing systems, but concur with the Government and OPA that such costs should be recovered from all customers, rather than from suppliers of small solar projects.

We believe that making small systems as simple and affordable as possible is the best way to encourage future investment in renewable energy projects.

Thank you for your attention,

Kevin Barrett

On behalf of **Fair Solar Ontario**

(a dedicated network of small solar providers)