

# Promising Practices



## Municipalities

### Blind River, Ontario supports community members' microFIT projects

After almost two years of frustration, the municipality of Blind River will finally be in a position to participate in the clean energy economy with a first-of-its-kind-in-Ontario municipal micro Feed-in-Tariff (microFIT) assistance program.<sup>1</sup>

In late 2009, the town-owned North Shore Power Group started planning for a 9.4 megawatt (MW) solar farm. The project relied on a Hydro One study, which indicated that that the electric grid would be able to handle the additional flow of solar electricity.

However, in April 2010, the project's proponents were told by the Ontario Power Authority (OPA) that a Feed-in-Tariff contract would not be granted based on lack of transmission capacity. This announcement put North Shore Power in a difficult position as they have already accepted a \$49.5 million loan from the Canadian Mortgage and Housing Corporation (CMHC) and proceeded with preparations for the solar farm project, including clear-cutting approximately 60 acres of forest.<sup>2</sup> After having their hopes for the solar farm dashed local clean energy proponents came up with a creative solution. What resulted was a program that is, arguably, better for the residents of Blind River.

In May 2010, the Municipality of Blind River launched its municipal MicroFIT assistance program. The program will see the funds and resources that were originally reserved for the solar farm project put to work to produce

renewable electricity on private properties across the city. According to the town's website, there are funds available for 600 10 kilowatt (kW) solar photovoltaic (PV) systems.<sup>3</sup>

### Benefitting Community Members

Homeowners and other residents with roof space can apply through the municipality to have a system installed at North Shore Power's expense. The energy group conducts assessments of an applicant's site to determine its suitability for an installation. If the site is found to be suitable, they will proceed with installation. The solar system is built, owned, and operated by North Shore Power. The property owner receives a portion of the revenue for providing the roof space.

FIT contracts with the OPA last 20 years and provide a guaranteed price over that period. Revenues from the OPA's MicroFIT program are received by North Shore and 10% of these are given to the property owner. The property owner can purchase the system at any time during the 20 year period with the buyout cost decreasing every year. At the end of 20 years, the property owner will be able to buy the system for \$1 and is given the freedom to use it as they please. This is of potentially great value as, during sunny periods, a 10 kW system can power an average home.

Using the funds to promote a number of smaller projects has advantages over the planned solar farm. First, installing many smaller systems does not require the same amount of land. The proposed solar farm was to occupy roughly 120

acres of industrial land this land can now be put to other uses.

Second, the microFIT assistance program provides more tangible benefits to the town's residents. Not only do participating residents get 10% of revenues generated by the solar systems, they also receive a free site assessment, free maintenance, and, 20 years later, a very cheap solar system. They also get the satisfaction of producing electricity for their own community and of participating in the broader move towards more renewable sources of electricity.

Third, spreading generating capacity in this way ultimately means that more renewably-generated electricity can enter the power mix. In fact, now that there is a plan for how to use the funds from the CMHC loan, North Shore Power has continued to look into building a solar farm in addition to the smaller installations. The amount of electricity that could be generated in this way would be almost the same as what would have been generated with a single project. The advantage lies in the fact that the benefits will now be shared more broadly within the community, with the creation of jobs for example.

According to Graeme Lowry, CEO of North Shore Power, the program has been extremely successful in attracting public interest.<sup>4</sup> Blind River has a population of about 3,500 living in about 1,000 homes. Of these, 500 homes, or 50%, applied to have their homes assessed. After assessment, 250 homes were deemed adequate for participation.

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#### References:

<sup>1</sup> Menova Energy Inc. "North Shore Power Group and Menova Energy announce Ontario's first municipal Micro-FIT solar programme in Blind River ON." Press release. 16 July 2010. <http://smr.newswire.ca/en/menova-energy-inc/north-shore-power-group-and-menova-energy-announce>. Accessed March 2011.

<sup>2</sup> Purych N. "Sun sets on Blind River solar power project." The Sault Star. May 2010. [www.saultstar.com/ArticleDisplay.aspx?archive=true&e=2586136](http://www.saultstar.com/ArticleDisplay.aspx?archive=true&e=2586136). Accessed March 2011.

<sup>3</sup> The Town of Blind River. "Be a green power producer." Website text. [www.blindriver.com/site/welcome/index.php?pid=289](http://www.blindriver.com/site/welcome/index.php?pid=289). Accessed March 2011.

<sup>4</sup> Menova Energy Inc. "North Shore Power Group and Menova Energy announce Ontario's first municipal Micro-FIT solar programme in Blind River ON." Press release. 16 July 2010. <http://smr.newswire.ca/en/menova-energy-inc/north-shore-power-group-and-menova-energy-announce>. Accessed March 2011.

