

Ontario Government to Support Indigenous and Community Involvement in Renewable Energy Projects

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On June 27, 2016 Ontario's Independent Electricity System Operator (IESO) commenced its Energy Partnerships Program (EPP). The EPP merges four existing funding programs – the Aboriginal Renewable Energy Funds, the Aboriginal Transmission Fund, the Municipal and Public Sector Energy Partnerships Program, and the Community Energy Partnerships Program – into one funding source.¹

The EPP promotes community engagement in Ontario's energy sector by assisting eligible applicant groups to develop renewable energy projects in their communities.² Groups eligible for EPP funding include:³

- ♦ **Indigenous communities** – including both First Nation and Métis communities. IESO will evaluate the eligibility of Tribal Councils and Political Territorial Organizations eligible as First Nations and Métis Organizations on a case by case basis;⁴
- ♦ **Co-operatives** – any co-operative corporation based in Ontario,⁵ as defined in the *Co-operative Corporations Act*;⁶
- ♦ **Municipalities**; and
- ♦ **Public sector entities** – including hospitals, colleges, universities, school boards, and long-term care facilities.

A detailed list of applicants eligible for EPP funding can be found [here](#).

Available Funding

The EPP provides funding for eligible expenses associated with two types of projects: Renewable Energy Projects and Identified Transmission Projects. Renewable Energy Projects include Feed-in-Tariff projects (FIT) and Large Renewable Procurement Projects (LRP).⁷

¹ IESO, June 27, 2016. Energy Partnerships Program, Media Backgrounder, retrieved from: <http://www.ieso.ca/Documents/funding/EPP/EPP-Backgrounder-20160627.pdf> at pg. 1 [*IESO Backgrounder*].

² *IESO Backgrounder* at pg. 1.

³ IESO, ND. Eligible applicants for the Energy Partnerships Program, retrieved from: <http://www.ieso.ca/Documents/funding/EPP/Eligible-Applicant-List-FINAL.pdf> [*IESO Eligible Applicants*].

⁴ IESO, ND. Frequently asked questions Energy Partnerships Program, retrieved from: <http://www.ieso.ca/Documents/EPP/EPP-FAQs-Version-2-Final.pdf> at pg. 4 [*IESO FAQs*].

⁵ IESO, ND. Eligible applicants for the Energy Partnerships Program, retrieved from: <http://www.ieso.ca/Documents/funding/EPP/Eligible-Applicant-List-FINAL.pdf>.

⁶ RSO 1990, c C 35.

⁷ *IESO Backgrounder* at pg. 1.

Identified Transmission Projects are future, planned, major transmission lines that are prioritized by the Ministry of Energy.⁸

The EPP supports these projects through two funding streams:

1. **The Partnerships Stream:** the partnership stream provides funding for eligible expenses related to developing Project Partnerships.⁹ Eligible expenses include legal, technical, and financial due diligence costs.¹⁰
2. **The Project Development Stream:** the project development stream provides funding for eligible expenses associated with developing renewable energy projects under the FIT program specifically.¹¹ MicroFIT projects are not eligible for EPP funding.¹² Eligible expenses include expenses connected to resource assessments, engineering or design studies, regulatory approvals, environmental assessment and site specific studies, and other costs associated with developing renewable energy facilities.¹³

The Remote Project Development Sub-stream of the Project Development Stream: the remote project development sub-stream provides funding for eligible expenses associated with developing Remote Projects. Remote Project funding is currently available to identified First Nations communities that are not connected to the IESO controlled energy grid (the Fort Severn First Nation, the Weenusk First Nation (Peawanuck), the Kiashe Zaaging Anishinaabek (Gull Bay First Nation) and the Whitesand First Nation).¹⁴ This funding is intended to help remote communities decrease their diesel fuel dependency.¹⁵ Any project that will supply energy to a remote community, offsetting that community's use of diesel for electricity generation will be eligible for EPP funding.¹⁶

The EPP shares a budget of \$10 million with other IESO funding programs; however IESO's budget will be increased to \$14 million this year to meet funding needs.¹⁷ IESO will allocate its budget to EPP applicants in each funding stream based on the types of renewable energy projects for which funding is sought (see table below).

⁸ *IESO FAQs* at pg. 9.

⁹ A Project Partnership is a partnership or proposed partnership with a Proposed Project Partner for the purposes of developing a FIT Project, LRP Project or Identified Transmission Project. A Proposed Project Partner is a person with whom the Applicant intends to partner, with whom the Applicant is developing partnership opportunities, provided that the Applicant intends to hold an Economic Interest in either the Proposed Project Partner or an affiliate project.

¹⁰ *IESO Backgrounder* at pg. 1; *IESO FAQs* at pg. 4.

¹¹ *IESO Backgrounder* at pg. 1.

¹² *IESO FAQs* at pg. 10.

¹³ *IESO FAQs* at pg. 10.

¹⁴ *IESO Backgrounder* at pg. 2.

¹⁵ *IESO Backgrounder* at pg. 2.

¹⁶ *IESO FAQs* at pg. 11.

¹⁷ *IESO Backgrounder* at pg. 2.

Table: Funds available by applicant type, project type and funding stream.¹⁸

	Applicant Type			
	Indigenous Communities		Municipalities, Co-operatives and Public Sector Entities	
Funding Stream	Eligible Projects	Eligible Funding	Eligible Projects	Eligible Funding
Partnerships Stream	FIT projects LRP projects	80% of actual project expenses, up to \$50,000 per applicant	FIT projects	80% of actual project expenses, up to \$50,000 per applicant
	Identified Transmission Projects	80% of actual project expenses, up to \$50,000 per First Nation and Métis Community	NA	NA
Project Development Stream	FIT projects	Available for 1-3 FIT projects 50% of actual project expenses or \$75,000 per FIT project (whichever is less)	FIT projects	Available for 4 or more FIT projects (a FIT Project Portfolio) 50% of actual project expenses or \$250,000 per FIT Project Portfolio (whichever is less)
Remote Project Development Sub-stream of the Project Development Stream	Remote projects	100% of actual project expenses, up to \$500,000 per identified remote First Nation over a two-year period	NA	NA

Application Process

The EPP's goal is to maximize funding accessibility by simplifying the application process,¹⁹ offering clear rules and guidelines, and generating consistent funding agreements.²⁰ More information on the new EPP Program Rules and Funding Agreements can be found [here](#).

¹⁸ This table was compiled from information contained in the *IESO Backgrounder* on pg. 1-2.

¹⁹ *IESO Backgrounder*, pg. 1.

²⁰ IESO, 2016. Energy Partnerships Program, Aboriginal Energy Partnerships Program, retrieved from: <http://aboriginalenergy.ca/energy-partnerships-program> [IESO EPP].

The EPP application process has three-stages:²¹

- 1 IESO assesses each applicant's eligibility and the content of their applications. To be eligible for EPP funding, prior IESO funding recipients must have completed a previous Funding Agreement, or must not be in default with any of their prior or current Funding Agreements.²²
- 2 A third-party review committee assesses all submitted applications and makes funding recommendation to IESO; and
- 3 IESO sends an approval letter and a Funding Agreement offer to all successful applicants. Unsuccessful applicants are able to submit a new or revised application.²³

As of June 27, 2016, the EPP application process is open.²⁴ Prospective applicants can apply for EPP funding [here](#).

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²¹ IESO Backgrounder, pg. 3.

²² IESO FAQs at pg. 5.

²³ IESO FAQs at pg. 6.

²⁴ IESO EPP.