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Office of the
Premier

Cabinet du
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ONTARIO'S STANDARD OFFER PROGRAM

Ontario depends on a safe, clean, reliable and affordable supply of electricity to power our homes, our schools and our hospitals — and renewable sources can provide an important share of Ontario's supply mix.

Ontario's Standard Offer Program will make it easier and more cost-effective for businesses and entrepreneurs to sell renewable power to the grid by setting a fixed price for small generation projects that use renewable energy.

Over the next 10 years, this will add up to 1,000 megawatts of renewable power to Ontario's electricity system. Standard Offer is a step forward in the government's plan to build a sustainable energy future in Ontario.

History

In 2004, the government committed to generating five per cent of Ontario's total energy capacity from new renewable sources by 2007, and 10 per cent by 2010.

While the government has been successful in contracting larger renewable energy projects through its Request for Proposal process, this approach for selling renewable power to the grid has been too costly and complex for smaller energy producers.

To encourage the development of more renewable energy in Ontario, the government asked the Ontario Sustainable Energy Association (OSEA) to put together a report outlining the criteria for a program offering a standard rate for electricity to small or community-based renewable power projects.

In 2005, after gathering research from best practices around the world, OSEA released their report called "Powering Ontario Communities," which recommended that the government move quickly to develop a Standard Offer Program in Ontario.

Later that year, the Minister of Energy asked the Ontario Energy Board to work with the Ontario Power Authority to develop the terms and conditions for a Standard Offer Program.

Eligibility

Under a Standard Offer contract, all small-scale renewable energy producers will be able to sell renewable power to the grid for 20 years. Other key characteristics of the program include:

- There is no limit to the amount of renewable generating capacity that can be brought online through this program
- The project can be located anywhere in Ontario; however, projects must take into account distribution and transmission considerations
- Each individual project can produce up to a maximum of 10 megawatts
- The program is open to all interested developers with the exception of Ontario Power Generation
- All new projects must connect directly to the distribution system (50 kilovolts or less)
- Eligible projects must have been in service after January 1, 2000.

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