

OPTIONS FOR GREEN ENERGY NON-PROFIT CORPORATION

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Newsletter

Fall 2013

www.optionsforgreenenergy.ca

FIT 3 is here! Reminder to Frontenac and Lennox and Addington members to fill out and return your Consent of Co-op Member forms as soon as possible!

FIT 2.1 Contracts Issued



The FIT 2.1 contracts were issued by the OPA over the course of the summer and fall. A total of four contracts were awarded to co-operatives that are working with Options for Green Energy: Queen Street Solar Co-operative received two contracts and Guelph Solar Community Co-operative received the other two.

18 Months to Build

The co-operatives now have 18 months to complete construction of those projects. There are a number of steps involved to bring the projects to commercial operation

date. The first is to update and submit an Offering Statement to the Financial Services Commission of Ontario (FSCO), the provincial regulatory body for co-operatives. The Offering Statement is essentially the business plan for the co-operative which outlines the amount of capital that the co-operative intends to raise from its members as well as describing all possible risks to the investor/members.

Community Bond Timing

The finishing touches are being done on the updated Offering Statements for Queen Street Solar and Guelph Solar Co-operatives. Once received by FSCO, a process that will likely take several months, the Offering Statement will be made available to members who are considering purchasing a Community Bond from the co-operatives. Bonds for Queen Street Solar and Guelph Solar will likely go on sale in spring 2014.

RRSP Eligibility

The Community Bond is a new financing model that the banks are mostly unwilling to support as it does not bring them sufficient revenue and, in fact, can be seen as competition for their investment products. At this time, Concentra Credit Union is the only financial institution that will allow Community Bonds to be held in a self-directed RRSP account. When the bonds become available next spring, Options for Green energy will assist co-op members in completing the paperwork involved in setting up an account with Concentra.

Connection Impact Assessment

A Connection Impact Assessment (CIA) is now being done for each project. This assessment is performed by the local utility that manages the distribution network to which the project will be connecting. The CIA will determine definitively that grid capacity is or is not available at the designated connection point. Until the CIA is completed, there is no assurance that the project can move ahead.

Long Term Debt Financing

A key piece of the puzzle will be the procurement of long-term debt financing at terms acceptable to the co-operative. Renewable energy co-operatives are all finding that long-term debt financing is not readily available to them. Financiers are

typically looking for large-scale projects/portfolios as it lowers their costs of due diligence, and co-operatives aren't yet operating at that scale. Co-ops are working together to find a solution to this problem. One approach that is being considered is forming a consortium of co-ops to make their collective project pipeline more attractive to lenders. Recently the sector has been able to persuade Infrastructure Ontario to consider providing financing to non-profit RE co-ops, something that the sector has been lobbying for over the past three years. It's not clear at this point how long it will take to get the process set up or how long it will take to get due diligence completed on each project but the low interest rates usually available through Infrastructure Ontario would make it the most attractive financing option.

FIT 3.0 Window Opening Soon

The tentative opening of the FIT 3.0 window has been announced by the OPA. The date is set for November 4th, though this is subject to change. The pricing for the new window is expected to be the same as currently published. The rules and forms for FIT 3.0 have been published on the OPA's website.

The FIT 3.0 pricing has dropped 39% for commercial scale rooftop solar and 26% for ground mounted commercial scale. In addition, the large FIT (>500 kW) has been

removed from the FIT program. Larger scale renewable energy projects will now be subject to a request for proposal process whose details are yet to be announced.

The new pricing - showing a comparison to FIT 2.1 pricing - can be found here:

<http://fit.powerauthority.on.ca/sites/default/files/news/2013-FIT-Price-Comparison-Table.pdf>

For details on the FIT 3.0 rules, you can visit the Feed In Tariff website:

<http://fit.powerauthority.on.ca/what-feed-tariff-program>



The Queen Street Solar board of directors has voted to extend the membership for those who joined as \$5 members for five additional years.

This will avoid the administrative costs and time involved with a membership renewal drive for members who signed up under the one year, \$5 memberships. It will allow the co-op to proceed with its two projects and remain in compliance with the OPA's requirement of having 50 property/owner members in each municipality where a project is located. If you have any questions or concerns, please contact Marc at

marcvanb@optionsforhomes.ca or 416 867-1501 x 229.

Queen Street Solar received two FIT 2.1 contracts. The project details are:

Project: Midland Arena

Location: Midland

Capacity: 400 kW AC

Partner: Nautilus Solar

Co-op ownership: 51%

FIT Contract Date: July 25, 2013

Project: Claremont Community Centre

Location: Claremont, Durham

Capacity: 100 kW AC

Partner: Veridian Connections, Solera Sustainable Technologies

Co-op ownership: 51%

FIT Contract Date: July 30, 2013

Community Bonds will become available once the Offering Statement has been receipted. This is expected to be spring 2014.

Queen Street Solar anticipates submitting up to 5 applications for projects in FIT 3.0 with a target of 1 MW.



Green Timiskaming Co-op

Green Timiskaming Co-operative is planning to submit up to 5 MW of applications for the upcoming FIT 3.0 window.



Guelph Solar received two FIT 2.1 contracts. The project details are:

Project: Silvercreek Pkwy Shopping Mall
Location: 218 Silvercreek Pkwy N.
Capacity: 250 kW AC
Partner: Icarus Solar
Co-op ownership: 51%
FIT Contract Date: July 30, 2013

Project: 2 Airpark Place
Location: 2 Airpark Place
Capacity: 100 kW AC
Partner: Soventix/Endura
Co-op ownership: 51%
FIT Contract Date: July 25, 2013

Community Bonds are expected to become available once the Offering Statement has

been received. This is expected to be spring 2014.



The non-profit board that owns the property on Gordon Street is currently deliberating the future of the site. Recent changes to the FIT program removing the large FIT stream (>500 kW) from the program, along with restrictions on the use of class III agricultural land (regardless of urban zoning) has made the original vision of a 7 MW solar project untenable. An announcement is expected soon.

Do you own a rooftop or land suitable to host a commercial scale solar project?

We are seeking projects in Guelph, Wellington, Toronto, Durham, Timiskaming, Simcoe, Kingston, Frontenac, and Lennox & Addington.

If you have 30,000 square feet of rooftop or 8 acres of Class IV+ or land, contact Marc at marcvanb@optionsforhomes.ca. 461 867-1501 x 229