

# Summary of Changes Energy Partnerships Program Rules

## Context:

On November 21, 2014, the Minister of Energy issued a direction to the Ontario Power Authority (OPA), now the Independent Electricity System Operator (IESO), to improve and consolidate the Community Energy Partnerships Program, the Municipal and Public Sector Energy Partnerships Program, the Aboriginal Renewable Energy Fund, and Aboriginal Transmission Fund programs.

These programs were streamlined and centralized under the Energy Partnerships Program (EPP). In May 2015, the IESO posted the Draft EPP Rules but postponed the launch of the program while a comprehensive review of all existing Funding Support programs was undertaken. The goal of the review was to ensure that the new consolidated and streamlined Program Documents were reflective of any findings and potential improvements from the review.

The Final EPP Rules were posted on June 13, 2016. Per the final program framework, the Energy Partnerships Program consists of two funding streams:

1. the Partnership Stream;
2. the Project Development Stream, including the Remote Project Development sub-stream.

The objective of the EPP is to continue to support Indigenous communities, Co-operatives, Municipalities and Public Sector Entities, in exploring and establishing partnerships and developing renewable energy projects. The EPP will also enable the province to best meet the needs of the Applicants, be consistent with electricity procurement opportunities and support the participation of Applicants in Ontario's energy sector.

**This document provides a summary of the changes made to the final EPP Program Rules from the draft EPP Program Rules.**

For more information on the EPP Program please contact EPP Program Staff at [EPP@ieso.ca](mailto:EPP@ieso.ca) or 416-969-6317.

	Comments on the draft EPP Programs Rules	How comment was addressed in the final EPP Program Rules:
<b>General Feedback</b>		
Readability of the Program Rules	<ul style="list-style-type: none"> <li>The Program Rules should be written more clearly and in a manner which is understandable.</li> </ul>	<ul style="list-style-type: none"> <li>The final EPP Program Rules have been revised with a view to using clear, accessible and plain language throughout for easier readability and understanding.</li> </ul>
Eligible Activities	<ul style="list-style-type: none"> <li>Travel, meals and hospitality costs should be eligible costs for funding for both internal and external resources.</li> <li>Costs for meetings related to the project or project partnership should also be eligible (i.e., venue rentals, audio-visual equipment rentals, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>The EPP provides further flexibility for costs such as travel, meals and hospitality, as well as meeting costs for both internal and external resources to be claimed as eligible expenses.</li> </ul>
Funding Agreement Requirements	<ul style="list-style-type: none"> <li>Applicants need more information upfront about the process for funding disbursements and the requirements to receive a funding disbursement.</li> </ul>	<ul style="list-style-type: none"> <li>The IESO has posted the form of the Funding Agreement on the website that sets out the process for receiving a funding disbursement and the Funding Recipient's responsibilities.</li> </ul>
<b>Partnership Stream: Renewable Energy Projects For First Nation and Métis Communities</b>		
Eligibility	<ul style="list-style-type: none"> <li>Communities have already begun work and incurred expenses with respect to partnerships for renewable energy projects for the FIT Program and LRP. Funding should be made available for costs incurred while the EPP was under development.</li> </ul>	<ul style="list-style-type: none"> <li>Funding is now available to provide support for partnership due diligence activities for renewable energy projects undertaken from January 1, 2016, rather than from the Application date.</li> </ul>
<b>Partnership Stream: Transmission Funding For First Nation and Métis Communities</b>		
Eligibility	<ul style="list-style-type: none"> <li>Communities have already begun work and incurred expenses with respect to partnerships for Transmission Projects. Funding should be made available for costs incurred while the EPP was under development.</li> </ul>	<ul style="list-style-type: none"> <li>Funding is now available to provide support for partnership due diligence activities undertaken from the date of the direction, November 21, 2014, rather than from the Application date.</li> </ul>
<b>Partnership Stream: FIT Projects For Municipalities, Co-Ops And Public Sector Entities</b>		
Eligibility	<ul style="list-style-type: none"> <li>Communities have already begun work and incurred expenses with respect to partnerships for renewable energy projects for the FIT Program. Funding should be made available for costs incurred while the EPP was under development.</li> </ul>	<ul style="list-style-type: none"> <li>Funding is now available to provide support for partnership due diligence activities for renewable energy projects undertaken from January 1, 2016, rather than from the Application date.</li> </ul>

Project Development Stream		
Eligibility	<ul style="list-style-type: none"> <li>Applicants should not have to wait until the FIT Contract has been executed before applying for Project Development funding as they begin incurring costs once the Offer Notice has been issued.</li> </ul>	<ul style="list-style-type: none"> <li>Applicants will now be able to apply to the Project Development Stream once an Offer Notice has been received from the IESO's FIT Program; however, no funding disbursements will be made until the FIT Contract has been executed by both contract counterparties.</li> </ul>
Eligibility	<ul style="list-style-type: none"> <li>The mandatory eligibility requirements state that none of the projects in a portfolio can have reached NTP or COD stages, but not all projects are built at the same time or on the same timelines. This will restrict the eligibility for Applicants under the new Portfolio approach.</li> </ul>	<ul style="list-style-type: none"> <li>The requirements described in the Draft EPP Rules have been revised so that when an Applicant is developing multiple Projects concurrently, the funding milestone completion date is the NTP date for the final project in a portfolio. It is the Funding Recipient's responsibility to ensure that they do not invoice the IESO for post-NTP activities for any of the Projects in a portfolio.</li> </ul>
Funding	<ul style="list-style-type: none"> <li>Applicants have been undertaking work for FIT 3 Contracts while the EPP was closed. Funding should be made available for costs incurred while the EPP was under development.</li> </ul>	<ul style="list-style-type: none"> <li>Funding is available to provide support for project development activities for FIT 3 Contracts undertaken from January 1, 2016, forward, rather than from the Application date.</li> </ul>
Remote Project Development Sub-Stream: Funding For Identified Remote Communities		
Eligibility	<ul style="list-style-type: none"> <li>The Identified Remote Communities have already begun work on the Remote Projects – funding should be made available for costs incurred while the EPP was under development.</li> </ul>	<ul style="list-style-type: none"> <li>Funding is now available to provide support for partnership due diligence activities undertaken from the date of the direction, November 21, 2014, rather than from the Application date.</li> </ul>
Funding	<ul style="list-style-type: none"> <li>The funding process outlined in the Draft EPP Program Rules is too onerous for the Applicant and will make it more challenging for funding to be accessed.</li> </ul>	<ul style="list-style-type: none"> <li>The funding model described in the Draft EPP Rules has been revised to now enable Applicants to receive up to \$500,000 over two years at 100 percent of Actual Costs based; with no limitations for the amount of funding that can be accessed in each year.</li> </ul>
Eligible Activities	<ul style="list-style-type: none"> <li>Due to the unique location of the Identified Remote Communities, additional eligible activities are needed from early conceptual development to late stage technical and environmental studies and activities such as training for community members, translation services and community meetings are required.</li> </ul>	<ul style="list-style-type: none"> <li>The eligible activities for the Remote sub-stream have been expanded to include greater community engagement costs and training opportunities; however, Applicants may request funding for other activities necessary for the development of the Remote Project.</li> </ul>