

A Progress Report on Contracted Electricity Supply

FOURTH QUARTER 2018

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Glossary of Acronyms

ABESA	Atikokan Biomass Energy Supply Agreement
ACES	Accelerated Clean Energy Supply Contract
ABPRIA	Amended and Restated Bruce Power Rehabilitation Implementation Agreement
BPRIA	Bruce Power Rehabilitation Implementation Agreement
CFC	Chaudière Falls Contract
CO	Commercial Operation
CES	Clean Energy Supply Contract
CHP	Combined Heat and Power (Cogeneration)
CHP I	Combined Heat and Power Agreement (Tranche 1)
CHP III	Combined Heat and Power Agreement (Tranche 3)
CHPSOP	Combined Heat and Power Standard Offer Program
Dx	Distribution Grid Connection (LDC embedded)
EFW	Energy from Waste
EMCES	Early Mover Clean Energy Supply Contract
FIT	Feed-in Tariff Program
GS	Generating Station
GEIA	Green Energy Investment Agreement Power Purchase
HCI	Hydroelectric Contract Initiative
HESA	Hydroelectric Energy Supply Agreement
HESOP	Hydroelectric Standard Offer Program
IESO	Independent Electricity System Operator
LESA	Lennox Energy Supply Agreement
LRP I	Large Renewable Procurement Program (Tranche 1)
microFIT	micro Feed-in Tariff Program
MCOD	Milestone Commercial Operation Date
MW	Megawatts
NTP	Notice-to-Proceed with Construction
NUG	Non-Utility Generator
NUGEDC	Non-Utility Generator Enhanced Dispatch Contract
NYRP	Northern York Region Peaking Generation Contract
OEFC	Ontario Electricity Financial Corporation
OPG	Ontario Power Generation
Pre-NTP	Pre-Notice to Proceed (contracts have been offered and accepted)
RES I	Renewable Energy Supply Contract (Tranche 1)
RES II	Renewable Energy Supply Contract (Tranche 2)
RES III	Renewable Energy Supply Contract (Tranche 3)
RESOP	Renewal Energy Standard Offer Program
SC/CC	Simple Cycle/Combined Cycle
TBESA	Thunder Bay Biomass Energy Supply Agreement
Tx	Transmission Grid Connection
UD	Under Development

Preface

On January 1, 2015, the Ontario Power Authority (OPA) and the Independent Electricity System Operator (IESO) were merged into a single organization that combines the mandates of both its predecessors under the name of the IESO. All contractual obligations of the OPA have moved to the new organization.

Together with its partners, the IESO ensures that electricity needs are met for the benefit of Ontario, both now and in the future. It procures electricity supply from diverse resources and facilitates the measures needed to achieve ambitious conservation targets, in accordance with ministerial direction. The IESO reliably operates the electricity system in real time and plans for a dependable, sustainable system for the long term.

In accordance with Ontario Energy Board Order EB-2005-0489 dated March 3, 2006, the IESO posts regular updates on its website on the progress of procurement initiatives, including the progress of selected projects, subject to confidentiality constraints. The [Progress Report on Contracted Electricity Supply](#) is updated quarterly to provide the status of the IESO's contracted electricity supply projects and procurement initiatives. The numbers and information provided in this report include only electricity projects and initiatives in Ontario contracted by the IESO.

Parameters of Reported Contract Data

The data in this report are drawn from different types of contracts for supply held by the IESO.¹ They provide the sum total of all contracts, classified by facilities that are grid-connected and embedded, and by facilities that have achieved commercial operation or are under development.

These data may differ from IESO supply mix data², which describe all grid-connected generation that has completed the market entry process and a small amount of embedded generation that participates in the IESO-administered market. While third parties sometimes use IESO contract data as part of their data inputs, they may lack the detailed information needed to reconcile accurately with figures reported here. Some of these important details could include:

- contracted capacities are used in this report, not installed capacities³
- the in-service forecasts made in this report are based on the Milestone Commercial Operation Date (MCOD), which is a contractual date
- facilities reported as having achieved commercial operation have fulfilled their required contractual obligations to begin generating electricity. However, when the supplier is also a registered IESO market participant, it is not listed as a new facility in operation until it has completed commissioning and the market registration process.⁴

Confidentiality Constraints

The IESO is legally bound by confidentiality terms that differ between contracts, therefore the types of data that can be shared are not always the same.

¹ The data reflect the contractual obligations of the IESO which continue until contracts have ended (expired or terminated), or until facilities have been decommissioned and the contracts have been closed out. Contract data therefore do not change, whether facilities are not producing energy (offline) or are in a decommissioning stage.

² The [supply mix](#) data are based on the [IESO-18 Month Outlook](#) which uses different methodologies to define resource capabilities.

³ Installed capacity refers to the maximum power that a generation facility can supply, in MW. Contracted capacity is the amount of power that the IESO has agreed to purchase from suppliers under contract for a fixed term. Contract capacities are sometimes different from installed capacities. Therefore, data in the IESO 18-Month Outlook and [Generator Output and Capability Report](#) may reflect capacity values that are different from data in this report.

⁴ Generators registered as Market Participants are required to comply with obligations relating to connection to the IESO-controlled grid and to participation in the IESO-administered markets. For more information, see the [IESO Market Rules – Chapter 4: Grid Connection Requirements](#).

Assumptions and Caveats

1. Contract data may change as frequently as daily. The data used to construct this report are based on the information as of the end of the specified quarter
2. In some cases, mostly with hydroelectric projects, there are expansions to facilities that are already in commercial operation. These expansion projects that are under development are counted as part of the original contract in order to avoid double counting of the total number of contracts
3. The number of contracts does not always represent the number of physical facilities. In some cases, a single contract may include multiple generating facilities (e.g. Site 1, Site 2)
4. Contracts executed with non-utility generators (NUGs) that are under contract with the Ontario Electricity Financial Corporation (OEFC) are not reported as an IESO contract until:
 - a. the IESO contract term has commenced
 - b. all conditions required for commercial operation approval have been satisfied.
5. The data in this report include all embedded generation under contract with the IESO. The IESO Current Supply Mix data do not include all embedded generation, as embedded generators generally do not participate in the IESO-administered market
6. All contracted assets that are connected to the transmission grid, regardless of size, are counted as transmission data in this report
7. Some numbers are rounded and may not add up to the totals quoted in the text.

Maps

- All maps in this report are used for illustrative purposes only. All locations are approximate. The sizes of map pins are not to scale.

Background

The Ontario government has been inviting investment in generation technologies and facilities to supply new generation capacity over the last decade. This additional electricity has been procured through fixed term contracts with suppliers for renewable energy, clean energy (natural gas and nuclear energy) and energy produced from municipal waste. The Ministry of Energy determines the procurement levels for each fuel type based on its Long-Term Energy Plan. The IESO administers each contract that has been executed under the specific procurements, programs or initiatives. The total amount of energy contracted by the IESO makes up a significant proportion of Ontario's electricity supply mix⁵. About half of Ontario's installed capacity is under contract to the IESO.

The purpose of this report is to provide details about the IESO's contracted supply capacity. The data in this report are limited to the capacities under contract to the IESO. The report does not include Ontario Power Generation (OPG) regulated assets,⁶ heritage assets, NUGs operating under contracts with the OEFC and market participants that sell energy on the open market and receive the hourly market price of electricity.

This report provides information about contracted capacities using the following dimensions:

1. timelines
2. connection type
3. fuel type
4. contract type
5. procurement type
6. geography.

Suppliers that have signed contracts with the IESO include, but are not limited to: private sector businesses, business partnerships, cooperatives, public sector organizations, municipal entities and governments, Indigenous communities, community groups, school boards, farmers, and homeowners.

⁵ See the [IESO Current Supply Mix](#) for more information.

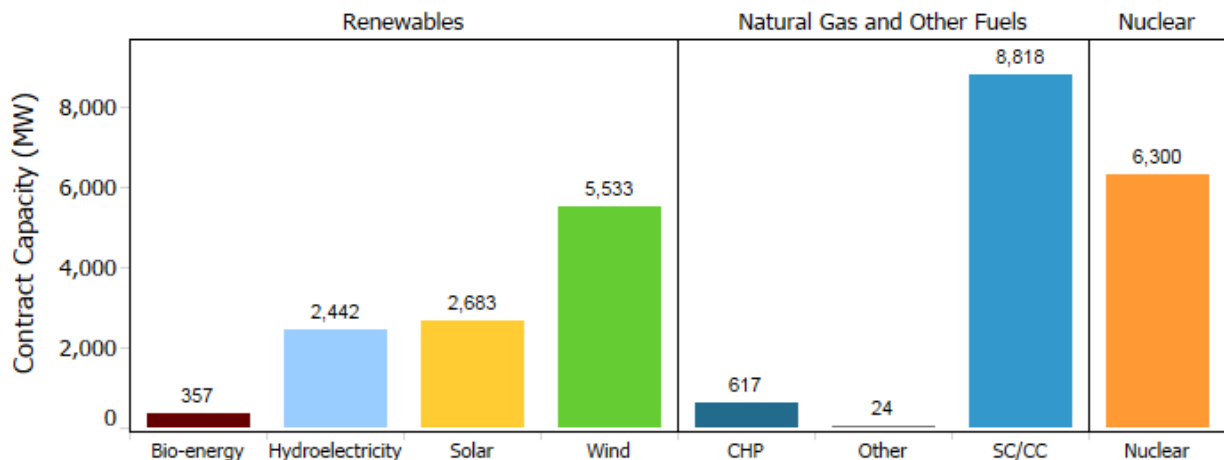
⁶ Some OPG assets are under contract to the IESO and are included in this report. These are: the Upper and Lower Mattagami facilities, Portlands Energy Centre, Brighton Beach Power Station, Atikokan Generating Station (GS), Healey Falls GS, Lac Seul GS, Lennox GS, and Thunder Bay GS (Unit 3). See the [OPG website](#) for more information.

The generation facilities for many contracts are constructed specifically for the purpose of producing energy under these contracts. Some facilities, such as some hydroelectric plants, are legacy facilities built many decades ago but have only recently entered into contracts with the IESO. A number of legacy facilities, such as hydroelectric and nuclear, undergo equipment upgrades, capacity expansions or refurbishment work to increase their generation capabilities. These incremental upgrades are reported as projects undergoing development. In programs, such as the Feed-in Tariff (FIT) Program and microFIT Program, existing structures (such as commercial buildings, farms and homes) have been retrofitted with technology to produce renewable energy.

Overview

This report summarizes the cumulative contract data for the fourth quarter of 2018 ending December 31, 2018 and changes occurring within the quarter. At the end of the quarter, the IESO was managing 33,760 contracts, which have a combined capacity of 26,773 MW. This capacity was spread across eight fuel types⁷ and three fuel groups as shown in Figure 1. The total amount of contracted capacity in commercial operation was 25,062 MW, while 1,711 MW remained under development.

Figure 1: Total Contracted Capacity by Fuel Type



* 'Other' includes of Energy-from-Waste fuel

The total contracted capacity shown in Figure 1 can be subdivided into in-service capacity or in commercial operation (CO) capacity and capacity under development (UD). See Figure 2 below for a breakdown by operational status.

⁷ Many CHP facilities use natural gas as the fuel source. Because the heat that is generated by CHP facilities is used as a fuel source for heating or cooling buildings, CHP is categorized as a separate fuel type that represents cogeneration technology. Lennox GS uses both natural gas and oil as fuel and is included under the SC/CC natural gas category.

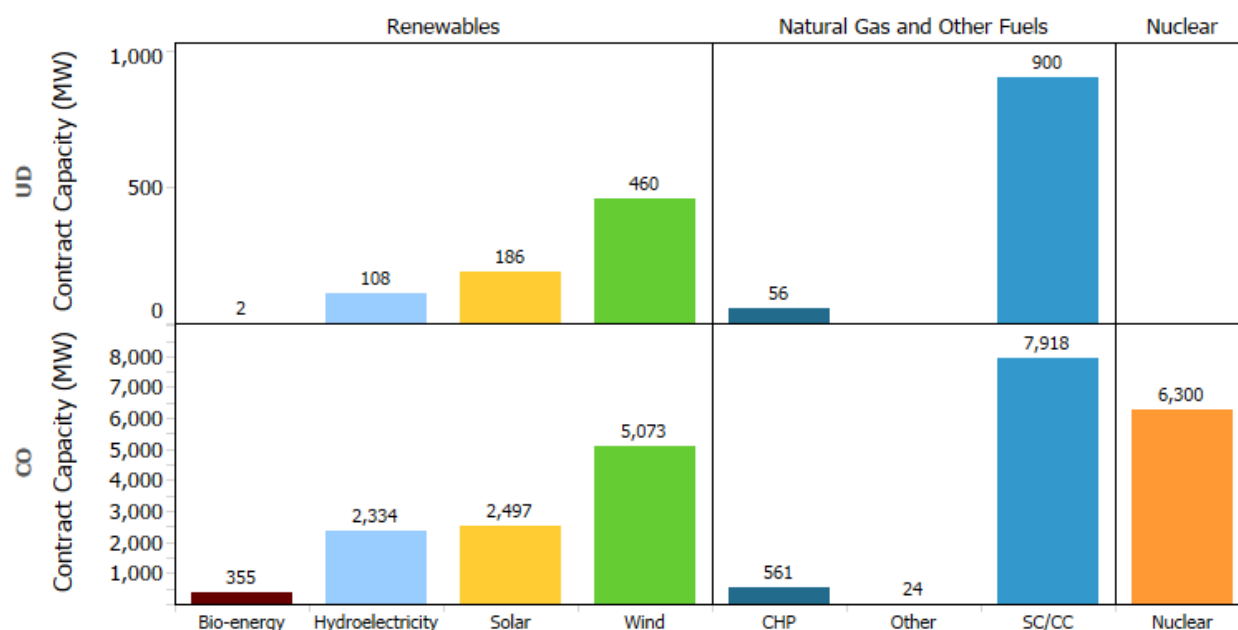
Figure 2: Total Contracted Capacity by Contract Status

Table 1 below provides a summary of the cumulative contracted capacity and numbers of contracts by fuel type and project status. Table 6 provides a more comprehensive breakdown of the summary data.

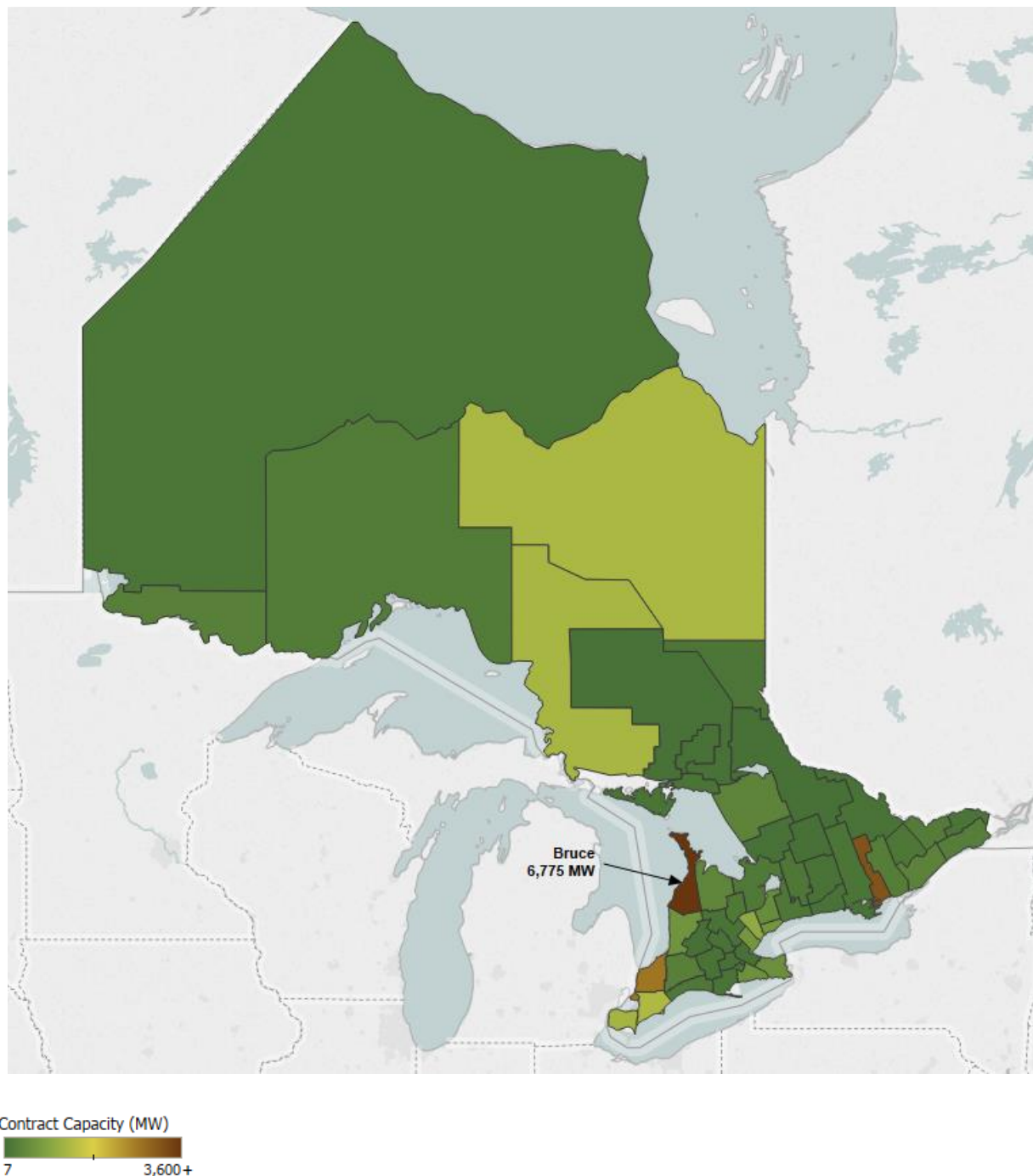
Table 1: Contracted Capacities by Fuel and Contract Status

Categories		UD			CO			Grand Total		
Fuel Group	Fuel Category	No. of Contracts	Total Capacity (MW)	% of Total Capacity	No. of Contracts	Total Capacity (MW)	% of Total Capacity	No. of Contracts	Total Capacity (MW)	% of Total Capacity
Renewables	Bio-energy	6	1.5	0.0%	72	355.3	1.3%	78	356.8	1.3%
	Hydroelectricity	19	108.1	0.4%	93	2,333.9	8.7%	111	2,442.0	9.1%
	Solar	152	186.0	0.7%	33,258	2,496.6	9.3%	33,410	2,682.6	10.0%
	Wind	3	460.0	1.7%	110	5,073.4	18.9%	113	5,533.4	20.7%
	Total	180	755.6	2.8%	33,533	10,259.2	38.3%	33,712	11,014.8	41.1%
Natural Gas and Other Fuels	CHP	7	55.6	0.2%	17	561.0	2.1%	24	616.6	2.3%
	SC/CC	1	900.0	3.4%	20	7,917.6	29.6%	21	8,817.6	32.9%
	Other				2	24.2	0.1%	2	24.2	0.1%
	Total	8	955.6	3.6%	39	8,502.8	31.8%	47	9,458.4	35.3%
Nuclear	Nuclear				1	6,300.0	23.5%	1	6,300.0	23.5%
	Total				1	6,300.0	23.5%	1	6,300.0	23.5%
Grand Total		188	1,711.2	6.4%	33,573	25,062.0	93.6%	33,760	26,773.2	100.0%

*Hydroelectric contracts: The number of UD contracts + the number of UD contracts does not equal to the total number of contracts. Expansion and upgrade projects are parts of existing projects that already in commercial operation. See Bullet No. 2 under 'Assumptions and Caveats'.

By 2020, the construction of most projects will be complete, and total in-service contracted capacities across Ontario are expected to be at a peak. Figure 3 below shows how the geographic distribution of total in-service contracted capacities would look like at this peak. In 2021, in-service contracted capacities will begin to decline from this peak as contracts expire.

Figure 3: Map of Total Contracted Capacity in Ontario



Changes to Contract Capacity (Oct. 1 – Dec. 31, 2018)

See Table 2 for a detailed account of the changes⁸ that occurred during the quarter. The main changes in contracted capacity and contract volumes to note are⁹:

1. Capacity Changes

- Total net contracted capacity increased by 28.8 MW. This included the following:
 - 1.2 MW of hydroelectricity
 - 0.7 MW of solar energy
 - 26.8 MW of cogeneration and natural gas energy
- 44.9 MW of combined capacity achieved contractual commercial operation include:
 - 36.5 MW of natural gas energy
 - 4.2 MW of hydroelectricity
 - 3.8 MW of solar energy
 - 0.3 MW of bio-energy

2. Changes in the Number of Contracts

- The total net number of contracts managed increased by 108 which includes:
 - the addition of 110 microFIT contracts

3. Large Facilities Achieving Contractual Commercial Operation^{10 11}

- Tunis Generating Station – 36.5 MW (natural gas) located in the vicinity of Tunis in Cochrane District.

⁸ Changes are net of: terminations, capacity amendments (reductions, upgrades and expansions) and new contracts.

⁹ Numbers are rounded and may not add up to the totals quoted in the text.

¹⁰ Facilities that have achieved commercial operation have fulfilled the contractual obligations required to operate under their IESO contracts and receive the contract price. Until then, facilities that are grid-connected and that have completed the market participant registration and physical commissioning process can offer energy into the market at the Hourly Ontario Energy Price (HOEP). The review and final authorization of commissioning documentation can be a lengthy process and may result in the contractual status trailing the actual operational status of the facility. In such cases the contractual commercial operation date will be backdated after contractual due diligence is completed.

¹¹ Suppliers must register with the IESO if they are participating in the IESO-administered markets or programs, or if connecting a physical facility to the IESO-controlled grid. Market registration is a separate process from commissioning and in some cases may be completed after the contractual commercial operation date has occurred. See [Market Registration](#) for more information. Consult the [New and Retired Generation Since the IESO Market Opened in May 2002](#) list and the [18-Month Outlook – Section 2.2: Updates to Resources](#) to determine whether generators registered as Market Participants have completed the IESO market registration process. Bear in mind that the capacities of the facilities in these resources are installed capacities and may not be equal to the contract capacities cited in this report.

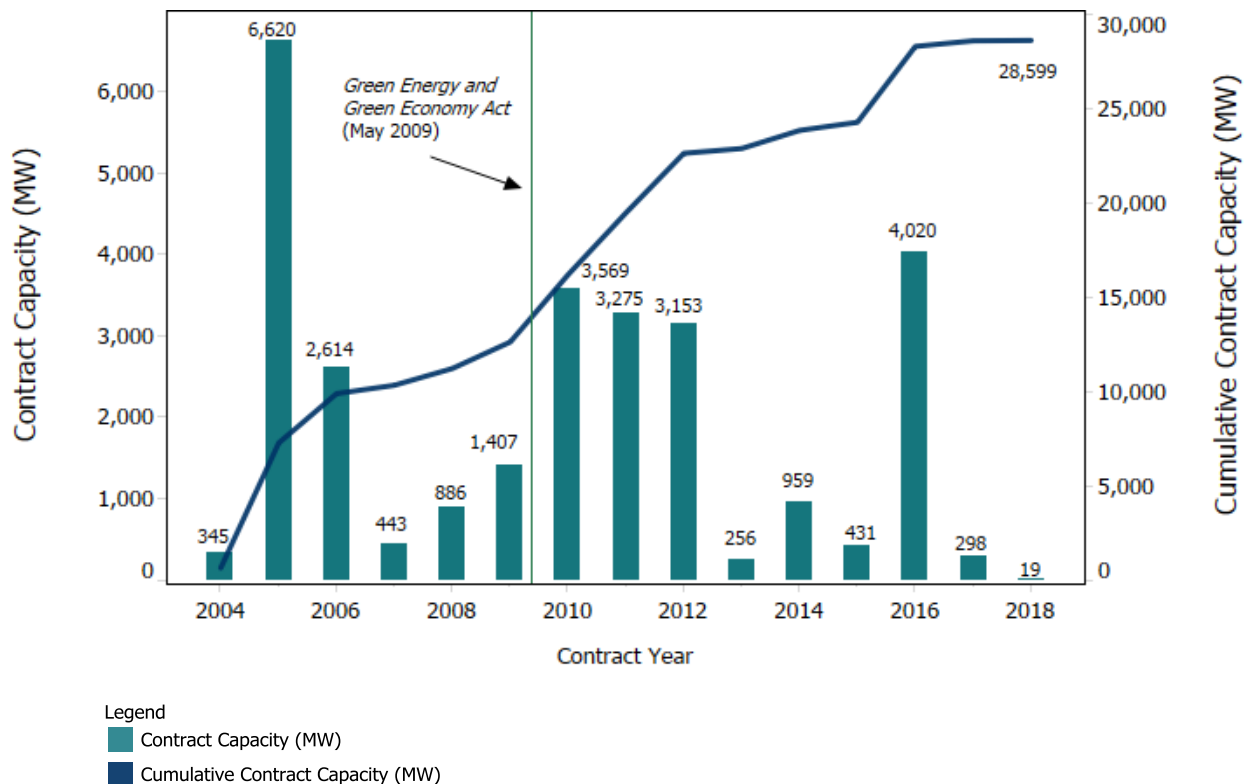
Table 2: Net Changes in Contracted Capacity: October 1 – December 31, 2018

Categories			Net Changes in the Number of Contracts			Net Changes in Contracted Capacity (MW)		
Fuel Group	Fuel Category	Contract Type	UD	CO	Total	UD	CO	Total
Renewables	Bio-energy	ABESA						
		CHP						
		FIT	-2	2		-0.4	0.4	
		microFIT						
		NUG						
		RES						
		RESOP						
		Total	-2	2		-0.4	0.3	
	Hydroelectricity	CFC						
		FIT						
		HCI	-1			-3.0	4.2	1.2
		HESA						
		HESOP						
		RES						
		RESOP						
		Total	-1			-3.0	4.2	1.2
	Solar	FIT	-11	9	-2	-3.1	3.0	-0.1
		GEIA						
		LRP						
		microFIT		110	110		0.9	0.9
		RESOP						
		Total	-11	119	108	-3.1	3.8	0.7
	Wind	FIT						
		GEIA						
		LRP						
		microFIT						
		RES						
		RESOP						
		Total						
	Total		-14	121	108	-6.4	8.4	2.0
Natural Gas and Other Fuels	CHP	CHP						
		CHPSOP	-1		-1	-9.7		-9.7
		NUG						
		Total	-1		-1	-9.7		-9.7
	SC/CC	ACES						
		CES						
		EMCES						
		LESA						
		NUG		1	1		36.5	36.5
		NUGEDC						
		NYRP						
		Total		1	1		36.5	36.5
	Other	EFW						
		NUG						
		Total						
	Total		-1	1		-9.7	36.5	26.8
Nuclear	Nuclear	ABPRIA						
		Total						
	Total							
Grand Total			-15	122	108	-16.1	44.9	28.8

Timelines – Historical and Projected

The first agreements for contracted capacity were executed in 2004. These procurements began with competitive offers and bi-lateral negotiations, and subsequently, standard offer programs were introduced. Figure 4 illustrates the cumulative amount of capacity procured since 2004 and the amount of capacity (gross) that were contracted annually.

Figure 4: Timeline of Contracts Executed



The timeline of programs and procurements executed as a result of ministerial directives includes:

- 2004 - RES I
- 2005 - BPRIA, ACES, RES II, EMCES
- 2006 - RESOP
- 2007 - HESA, RES III
- 2008 - CHP I
- 2009 - CHP III, HCL, FIT 1 and microFIT
- 2010 - ABESA, CHPSOP
- 2011 - microFIT, GEIA

- 2012 - FIT 2/microFIT program review
- 2013 - HESOP, NUG
- 2014 - TBESA, FIT 3
- 2016 - ABPRIA, CFC, LRP I, FIT 4
- 2017 - FIT 5, NUGEDC.

The average term of an IESO contract is about 20 years. The range of contract terms is from five years to 50 years; however, pilot projects usually start with a term of two years. The general ranges of contract terms according to fuel types are:

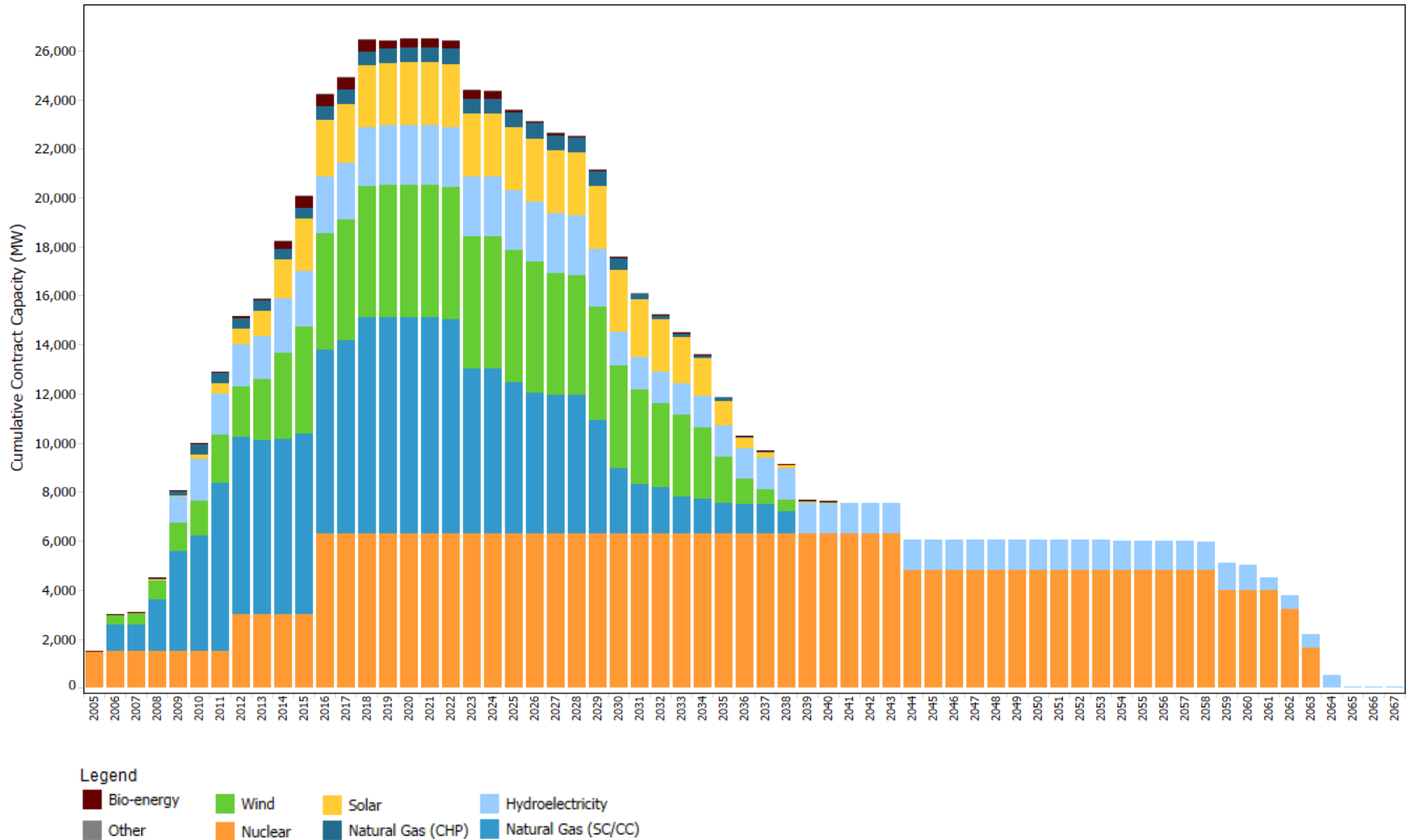
- bio-energy: five to 21 years
- energy from waste: 20 years
- hydroelectricity: 20 to 50 years
- natural gas: 4 to 20 years
- nuclear: 31 to 57 years (amended)
- solar: 20 years
- wind: 20 years

Figure 5 illustrates the projected lifecycle of total contract capacities by applying the contract term lengths to the actual commercial operation dates and expected MCODs of the facilities.¹² The resulting graph shows how contracted capacity is expected to increase and decrease over the life of the contracts as facilities achieve commercial operation and contracts expire at the end of the term.¹³

¹² Where the MCOD has passed and the project is not in commercial operation, the estimated commercial operation date is considered as being in the current year (for estimation purposes only).

¹³ Annual capacity amounts are not prorated for years when the in-service capacity is only for a partial year.

Figure 5: Projected Lifecycle for Contracted Capacity



Capacity by Grid Connection

This section summarizes the connection configuration of contracted generating facilities to the electrical grid. Contracted generating facilities are either:

1. connected directly to the IESO-administered transmission grid (Tx)¹⁴
2. embedded within the distribution network of local distribution companies (Dx).¹⁵

Embedded generators supply electricity to local distribution systems, helping to offset demand on the grid by supporting some of the needs of local communities.

Generally, large capacity projects are connected to transmission grid and are dispatched by the IESO. Smaller capacity projects are usually connected to distribution networks. However, there are exceptions to both of these rules.

Table 3: Connection Type by Fuel

Categories		UD			CO			Grand Total		
Connection	Fuel Category	No. of Contracts	Total Capacity (MW)	% of Total Capacity	No. of Contracts	Total Capacity (MW)	% of Total Capacity	No. of Contracts	Total Capacity (MW)	% of Total Capacity
Dx	Bio-energy	6	1.5	0.0%	70	110.3	0.4%	76	111.8	0.4%
	CHP	7	55.6	0.2%	14	163.1	0.6%	21	218.7	0.8%
	Hydroelectricity	12	54.6	0.2%	82	278.3	1.0%	94	332.9	1.2%
	Other				2	24.2	0.1%	2	24.2	0.1%
	SC/CC				4	108.4	0.4%	4	108.4	0.4%
	Solar	150	88.0	0.3%	33,246	2,116.6	7.9%	33,396	2,204.6	8.2%
	Wind				66	590.5	2.2%	66	590.5	2.2%
	Total	175	199.7	0.7%	33,484	3,391.4	12.7%	33,659	3,591.0	13.4%
Tx	Bio-energy				2	245.0	0.9%	2	245.0	0.9%
	CHP				3	397.9	1.5%	3	397.9	1.5%
	Hydroelectricity	7	53.5	0.2%	11	2,055.6	7.7%	17	2,109.1	7.9%
	Nuclear				1	6,300.0	23.5%	1	6,300.0	23.5%
	SC/CC	1	900.0	3.4%	16	7,809.3	29.2%	17	8,709.3	32.5%
	Solar	2	98.0	0.4%	12	380.0	1.4%	14	478.0	1.8%
	Wind	3	460.0	1.7%	44	4,482.9	16.7%	47	4,942.9	18.5%
	Total	13	1,511.5	5.6%	89	21,670.6	80.9%	101	23,182.1	86.6%
Grand Total		188	1,711.2	6.4%	33,573	25,062.0	93.6%	33,760	26,773.2	100.0%

¹⁴ All assets, regardless of size, that are connected to the transmission grid are included in transmission data.

¹⁵ The embedded contracted capacity shown here are not included in the IESO supply mix data estimate unless the supplier participates in the IESO-administered market. See [Transmission-Connected Generation](#).

Table 4: Connection Type by Contract Type

Categories		UD		CO		Grand Total	
Connection	Contract Type	No. of Contracts	Total Capacity (MW)	No. of Contracts	Total Capacity (MW)	No. of Contracts	Total Capacity (MW)
Dx	CES			1	90.0	1	90.0
	CFC	2	39.0			2	39.0
	CHP			6	101.6	6	101.6
	CHPSOP	7	55.6	8	23.8	15	79.4
	EFW			1	13.9	1	13.9
	EMCES			3	18.4	3	18.4
	FIT	162	76.3	3,075	1,770.3	3,237	1,846.6
	HCI			50	109.8	50	109.8
	HESA			2	59.7	2	59.7
	HESOP	2	6.8	5	37.5	7	44.3
	LRP	2	22.0			2	22.0
	microFIT			30,200	261.6	30,200	261.6
	NUG			3	61.0	3	61.0
	RES			4	17.3	4	17.3
	RESOP			126	826.5	126	826.5
	Total	175	199.7	33,484	3,391.4	33,659	3,591.0
Tx	ABESA			1	205.0	1	205.0
	ABPRIA			1	6,300.0	1	6,300.0
	ACES			3	2,030.6	3	2,030.6
	CES	1	900.0	3	1,896.0	4	2,796.0
	CHP			3	365.6	3	365.6
	EMCES			2	985.3	2	985.3
	FIT	6	330.0	34	2,014.8	40	2,344.8
	GEIA			10	1,367.5	10	1,367.5
	HCI			4	1,008.3	4	1,008.3
	HESA	1	7.5	3	995.4	3	1,002.9
	LESA			1	2,000.0	1	2,000.0
	LRP	4	258.0			4	258.0
	NUG			6	491.5	6	491.5
	NUGEDC			1	85.2	1	85.2
	NYRP			1	393.0	1	393.0
	RES	1	16.0	16	1,532.4	17	1,548.4
	Total	13	1,511.5	89	21,670.6	101	23,182.1
Grand Total		188	1,711.2	33,573	25,062.0	33,760	26,773.2

Capacity by Procurement

The procurement methodologies used to acquire contracted capacities are standard offer, bi-lateral negotiations or competitive bids. Table 5 provides a summary of the current total capacities contracted by the different procurement methods.

Table 5: Capacities by Procurement

Categories		UD		CO		Grand Total	
Procurement Type	Fuel Category	No. of Contracts	Total Capacity (MW)	No. of Contracts	Total Capacity (MW)	No. of Contracts	Total Capacity (MW)
Bi-lateral Negotiation	Bio-energy			2	210.0	2	210.0
	CHP			2	118.0	2	118.0
	Hydroelectricity	3	46.5	7	2,035.8	9	2,082.3
	Nuclear			1	6,300.0	1	6,300.0
	Other			1	10.3	1	10.3
	SC/CC			14	4,897.1	14	4,897.1
	Solar			4	300.0	4	300.0
	Wind			6	1,067.5	6	1,067.5
	Total	3	46.5	37	14,938.7	39	14,985.2
Competitive	Bio-energy			5	57.3	5	57.3
	CHP	7	55.6	15	443.0	22	498.6
	Hydroelectricity	1	16.0	2	31.0	3	47.0
	Other			1	13.9	1	13.9
	SC/CC	1	900.0	6	3,020.5	7	3,920.5
	Solar	4	120.0			4	120.0
	Wind	2	160.0	15	1,509.4	17	1,669.4
	Total	15	1,251.6	44	5,075.1	59	6,326.7
Standard Offer	Bio-energy	6	1.5	65	88.0	71	89.5
	Hydroelectricity	15	45.6	84	267.1	99	312.7
	Solar	148	66.0	33,254	2,196.6	33,402	2,262.6
	Wind	1	300.0	89	2,496.4	90	2,796.4
	Total	170	413.1	33,492	5,048.1	33,662	5,461.2
Grand Total		188	1,711.2	33,573	25,062.0	33,760	26,773.2

IESO Contracts and Contract Capacity

Table 6: Number of Contracts and Contract Capacity

Categories			No. of Contracts		Total Capacity (MW)		% of Total Capacity		No. of Contracts	Total Capacity (MW)	% of Total Capacity
Fuel Group	Fuel Category	Contract Type	UD	CO	UD	CO	UD	CO	Total	Total	Total
Renewables	Bio-energy	ABESA		1		205.0		0.8%	1	205.0	0.8%
		CHP		2		48.0		0.2%	2	48.0	0.2%
		FIT	6	46	1.5	48.3	0.0%	0.2%	52	49.8	0.2%
		microFIT		1		0.0		0.0%	1	0.0	0.0%
		NUG		1		5.0		0.0%	1	5.0	0.0%
		RES		3		9.3		0.0%	3	9.3	0.0%
		RESOP		18		39.7		0.1%	18	39.7	0.1%
		Total	6	72	1.5	355.3	0.0%	1.3%	78	356.8	1.3%
	Hydroelectricity	CFC	2		39.0		0.1%		2	39.0	0.1%
		FIT	13	11	38.8	64.0	0.1%	0.2%	24	102.7	0.4%
		HCI		54		1,118.1		4.2%	54	1,118.1	4.2%
		HESA	1	5	7.5	1,055.1	0.0%	3.9%	5	1,062.6	4.0%
		HESOP	2	5	6.8	37.5	0.0%	0.1%	7	44.3	0.2%
		RES	1	2	16.0	31.0	0.1%	0.1%	3	47.0	0.2%
		RESOP		16		28.2		0.1%	16	28.2	0.1%
		Total	19	93	108.1	2,333.9	0.4%	8.7%	111	2,442.0	9.1%
	Solar	FIT	148	3,002	66.0	1,461.3	0.2%	5.5%	3,150	1,527.3	5.7%
		GEIA		4		300.0		1.1%	4	300.0	1.1%
		LRP	4		120.0		0.4%		4	120.0	0.4%
		microFIT		30,195		261.6		1.0%	30,195	261.6	1.0%
		RESOP		57		473.7		1.8%	57	473.7	1.8%
		Total	152	33,258	186.0	2,496.6	0.7%	9.3%	33,410	2,682.6	10.0%
	Wind	FIT	1	50	300.0	2,211.6	1.1%	8.3%	51	2,511.6	9.4%
		GEIA		6		1,067.5		4.0%	6	1,067.5	4.0%
		LRP	2		160.0		0.6%		2	160.0	0.6%
		microFIT		4		0.0		0.0%	4	0.0	0.0%
		RES		15		1,509.4		5.6%	15	1,509.4	5.6%
		RESOP		35		284.9		1.1%	35	284.9	1.1%
		Total	3	110	460.0	5,073.4	1.7%	18.9%	113	5,533.4	20.7%
	Total		180	33,533	755.6	10,259.2	2.8%	38.3%	33,712	11,014.8	41.1%
Natural Gas and Other Fuels	CHP	CHP		7		419.2		1.6%	7	419.2	1.6%
		CHPSOP	7	8	55.6	23.8	0.2%	0.1%	15	79.4	0.3%
		NUG		2		118.0		0.4%	2	118.0	0.4%
		Total	7	17	55.6	561.0	0.2%	2.1%	24	616.6	2.3%
	SC/CC	ACES		3		2,030.6		7.6%	3	2,030.6	7.6%
		CES	1	4	900.0	1,986.0	3.4%	7.4%	5	2,886.0	10.8%
		EMCES		5		1,003.6		3.7%	5	1,003.6	3.7%
		LESA		1		2,000.0		7.5%	1	2,000.0	7.5%
		NUG		5		419.2		1.6%	5	419.2	1.6%
		NUGEDC		1		85.2		0.3%	1	85.2	0.3%
		NYRP		1		393.0		1.5%	1	393.0	1.5%
		Total	1	20	900.0	7,917.6	3.4%	29.6%	21	8,817.6	32.9%
	Other	EFW		1		13.9		0.1%	1	13.9	0.1%
		NUG		1		10.3		0.0%	1	10.3	0.0%
Total			2		24.2		0.1%	2	24.2	0.1%	
Total		8	39	955.6	8,502.8	3.6%	31.8%	47	9,458.4	35.3%	
Nuclear	Nuclear	ABPRIA		1		6,300.0		23.5%	1	6,300.0	23.5%
		Total		1		6,300.0		23.5%	1	6,300.0	23.5%
	Total			1		6,300.0		23.5%	1	6,300.0	23.5%
Grand Total			188	33,573	1,711.2	25,062.0	6.4%	93.6%	33,760	26,773.2	100.0%

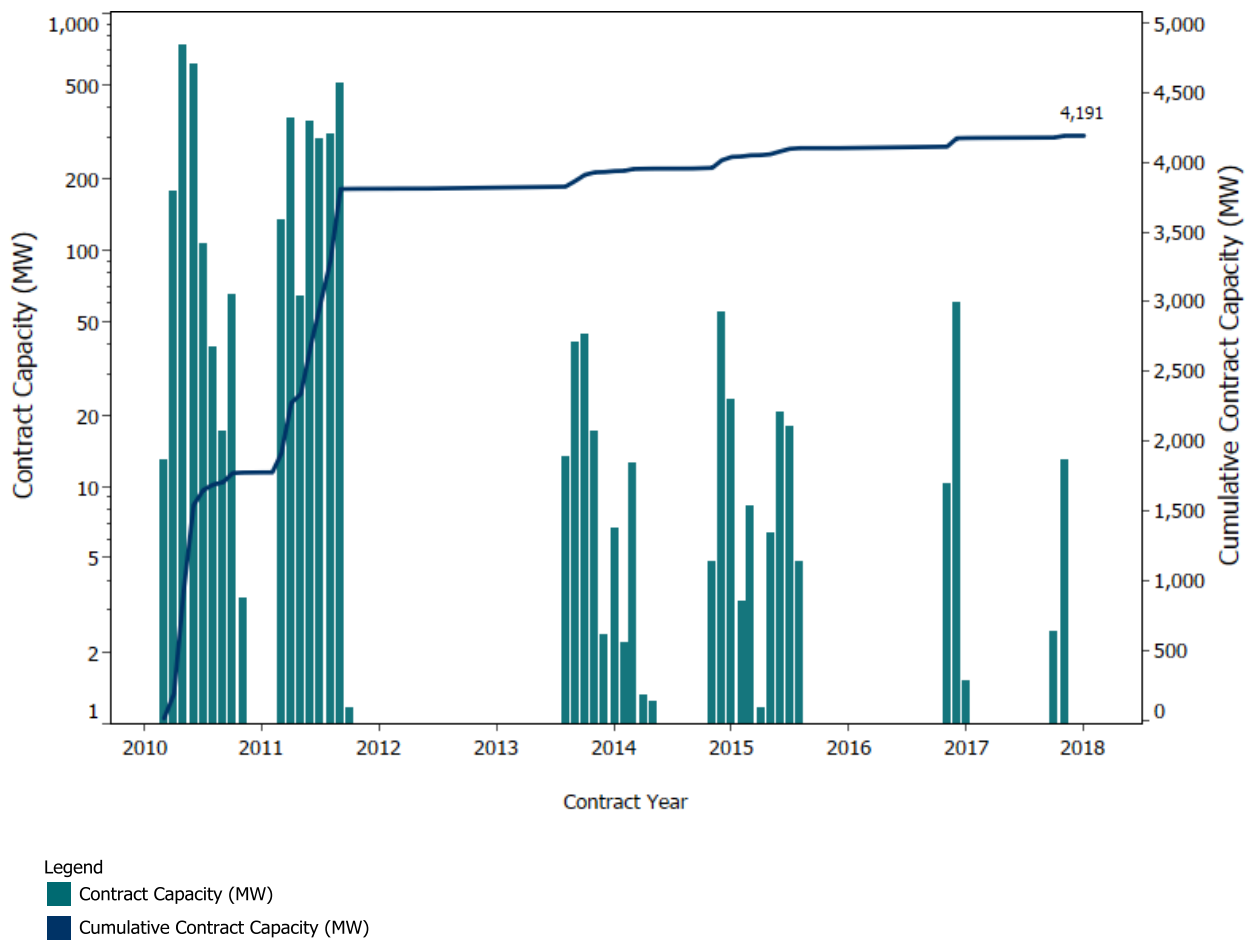
*Note - with some hydroelectric contracts, the number of UD contracts plus the number of CO contracts is not equal to the total number of contracts. See 'Assumptions and Caveats' on Page 7 regarding double counting.

Feed-in Tariff (FIT) Program

The FIT Program was launched in 2009 with the enactment of the Ontario government's *Green Energy and Green Economy Act*. FIT projects have capacities of more than 10 kilowatts. All FIT contracts are for renewable energy only, with the majority of contracts being for solar power.

Contracted capacity under the FIT Program has grown from 13 MW in March 2010 to 4,191 MW in the current reporting period. Figure 6 shows the capacities that are currently under contract under the FIT Program.¹⁶

Figure 6: FIT Procurements by Year



¹⁶ The gap and low volume between the periods 2012 to 2013 corresponds to the FIT Program review.

Pre-NTP and NTP are stages in the development of a FIT project. Once a FIT contract is executed, it passes through the following stages:

1. The Pre-NTP stage:
 - regulatory approvals (if required)
 - system/customer impact assessments
 - domestic content plan approval (if required)
 - financing plan approvals.
2. The NTP Stage
 - notice to proceed with construction.

FIT Program Size Division

Table 7 summarizes FIT data by the capacity of the generating facility. FIT contracts can be divided into the following two categories:

- Small FIT – less than or equal to 0.5 MW
- Large FIT – greater than 0.5 MW

Table 7: FIT Size Division: Small FIT vs. Large FIT

Categories		Number of Contracts		Total Capacity (MW)		% Contract Capacity		Number of Contracts	Total Capacity (MW)	% Contract Capacity
FIT Size Class	Fuel Category	UD	CO	UD	CO	UD	CO	Total	Total	Total
Small FIT	Bio-energy	6	39	1.5	12.8	0.0%	0.3%	45	14.3	0.3%
	Hydroelectricity	4	1	1.0	0.5	0.0%	0.0%	5	1.5	0.0%
	Solar	148	2,900	66.0	544.2	1.6%	13.0%	3,048	610.2	14.6%
	Wind		2		1.0		0.0%	2	1.0	0.0%
	Total	158	2,942	68.6	558.5	1.6%	13.3%	3,100	627.1	15.0%
Large FIT	Bio-energy		7		35.5		0.8%	7	35.5	0.8%
	Hydroelectricity	9	10	37.7	63.5	0.9%	1.5%	19	101.2	2.4%
	Solar		102		917.2		21.9%	102	917.2	21.9%
	Wind	1	48	300.0	2,210.6	7.2%	52.7%	49	2,510.6	59.9%
	Total	10	167	337.7	3,226.6	8.1%	77.0%	177	3,564.4	85.0%
Grand Total		168	3,109	406.3	3,785.1	9.7%	90.3%	3,277	4,191.4	100.0%

Table 8 further summarizes the FIT Program based on the procurement stream (FIT 1, FIT 2, and FIT 3 and FIT 4), fuel type and stage in the FIT project development process.

Table 8: FIT Contracts by Program Stream

Categories		UD						CO		Grand Total	
		Pre-NTP		NTP		Total					
Contract Type	Fuel Category	Number of Contracts	Total Capacity (MW)	Number of Contracts	Total Capacity (MW)	Number of Contracts	Total Capacity (MW)	Number of Contracts	Total Capacity (MW)	Number of Contracts	Total Capacity (MW)
FIT 1	Bio-energy							35	45.1	35	45.1
	Hydroelectricity	11	32.74	2	6.0	13	38.8	11	64.0	24	102.7
	Solar							1,398	1,153.2	1,398	1,153.2
	Wind			1	300.0	1	300.0	49	2,211.1	50	2,511.1
	Total	11	32.74	3	306.0	14	338.8	1,493	3,473.3	1,507	3,812.1
FIT 2	Bio-energy							7	2.4	7	2.4
	Solar							862	141.2	862	141.2
	Total							869	143.6	869	143.6
FIT 3	Solar			56	23.9	56	23.9	512	122.6	568	146.5
	Total			56	23.9	56	23.9	512	122.6	568	146.5
FIT 4	Bio-energy			4	1.0	4	1.0	4	0.9	8	1.9
	Solar			59	27.5	59	27.5	226	43.8	285	71.3
	Wind							1	0.5	1	0.5
	Total			63	28.5	63	28.5	231	45.1	294	73.6
FIT 5	Bio-energy			2	0.5	2	0.5			2	0.5
	Solar			33	14.7	33	14.7	4	0.5	37	15.1
	Total			35	15.2	35	15.2	4	0.5	39	15.6
Grand Total		11	32.74	157	373.5	168	406.3	3,109	3,785.1	3,277	4,191.4

Figure 7: FIT Contracts by Fuel Category, Fuel Sub-type and Contract Status

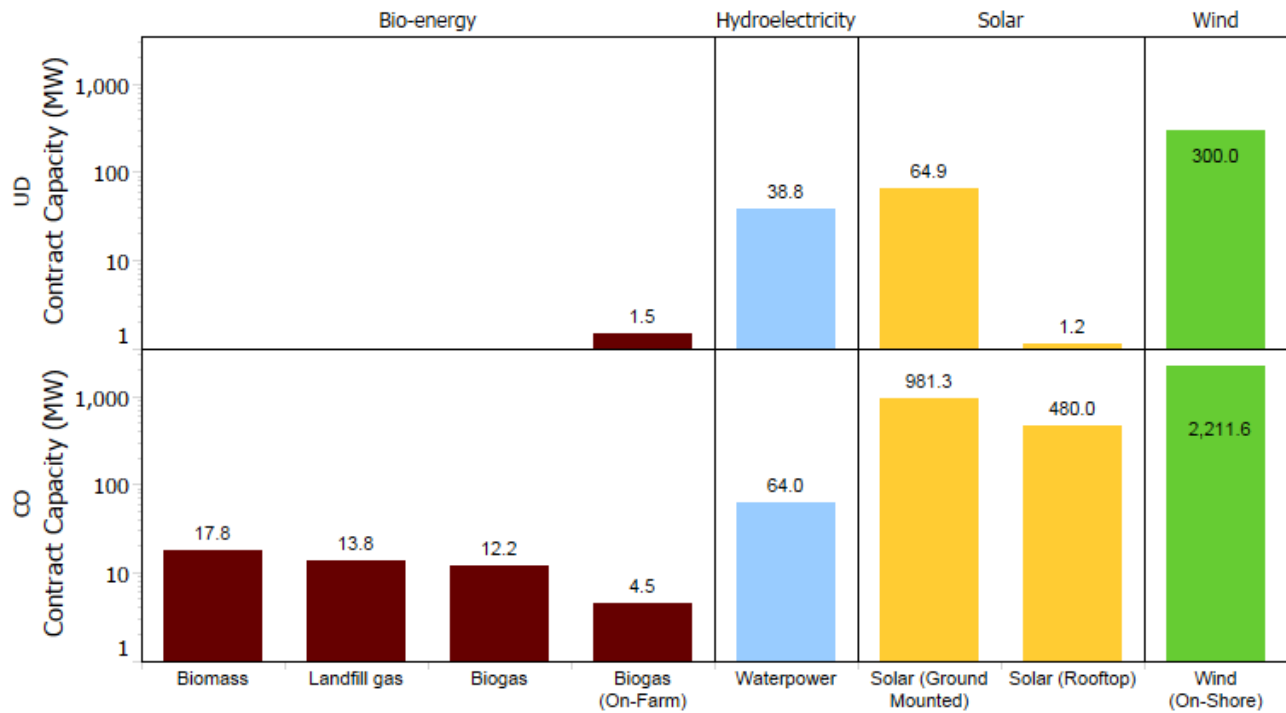
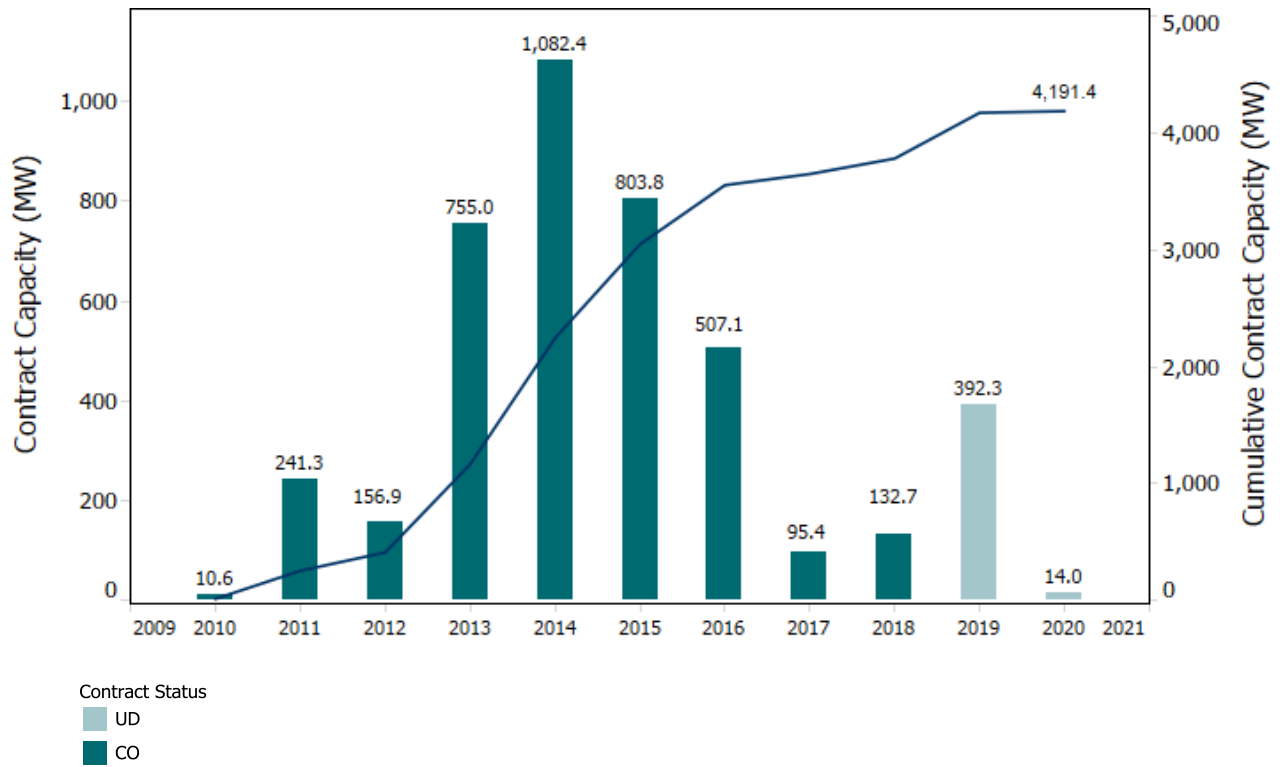


Figure 8 illustrates the timeline for installed FIT capacity and the projected implementation schedule by year. The graph displays:

- capacity in commercial operation
- capacity
- under development.¹⁷

¹⁷ Where facilities are under development, but the MCOD of the contract has passed, the capacity is counted in the current reporting year (for estimation purposes only).

Figure 8: Incremental and Cumulative FIT Capacity: In-Service and Scheduled



FIT Program Equity Participation Projects

Indigenous Participation Projects

FIT contract-holders receive price adders if projects have the required level of Indigenous equity participation. Table 9 below provides a summary of Indigenous participation projects by fuel type and contract status¹⁸. The map in Figure 9 shows the approximate locations of these projects.

Table 9: Indigenous Participation

Categories		UD		CO		Grand Total	
Contract Type	Fuel Category	No. of Contracts	Total Capacity (MW)	No. of Contracts	Total Capacity (MW)	No. of Contracts	Total Capacity (MW)
FIT 1	Hydroelectricity	4	26.0	6	45.4	10	71.4
	Solar			8	70.0	8	70.0
	Wind	1	300.0	9	527.3	10	827.3
FIT 2	Solar			157	33.6	157	33.6
FIT 3	Solar	4	2.0	261	57.2	265	59.2
FIT 4	Solar	10	3.8	5	1.7	15	5.5
FIT 5	Solar	12	5.0			12	5.0
Grand Total		31	336.8	446	735.3	477	1,072.0

¹⁸ This table represents the total number of FIT contracts that have some level of Indigenous equity participation. Not all of these projects will qualify for, or receive price adders.

Community Participation FIT Projects

FIT Program contract holders receive price adders if projects have the required level of community equity participation. Table 10 provides a summary of community participation projects by fuel type and contract status¹⁹. The map in Figure 10 shows the approximate locations of these projects.

Table 10: Community Participation

Categories		UD		CO		Grand Total	
Contract Type	Fuel Category	No. of Contracts	Total Capacity (MW)	No. of Contracts	Total Capacity (MW)	No. of Contracts	Total Capacity (MW)
FIT 1	Bio-energy			24	11.1	24	11.1
	Hydroelectricity	2	6.0	1	0.5	3	6.5
	Solar			26	4.8	26	4.8
	Wind			6	33.6	6	33.6
	Total	2	6.0	57	50.1	59	56.1
FIT 2	Bio-energy			1	0.5	1	0.5
	Solar			108	22.8	108	22.8
	Total			109	23.3	109	23.3
FIT 3	Solar	19	7.9	87	22.8	106	30.6
	Total	19	7.9	87	22.8	106	30.6
FIT 4	Solar	29	14.3	32	7.6	61	21.8
	Wind			1	0.5	1	0.5
	Total	29	14.3	33	8.1	62	22.3
FIT 5	Solar	1	0.5			1	0.5
	Total	1	0.5			1	0.5
Grand Total		51	28.6	286	104.2	337	132.8

¹⁹ This table represents the total number of FIT contracts that have some level of Community equity participation. Not all of these projects will qualify for, or receive price adders.

Figure 9: Map of FIT Indigenous Participation Projects

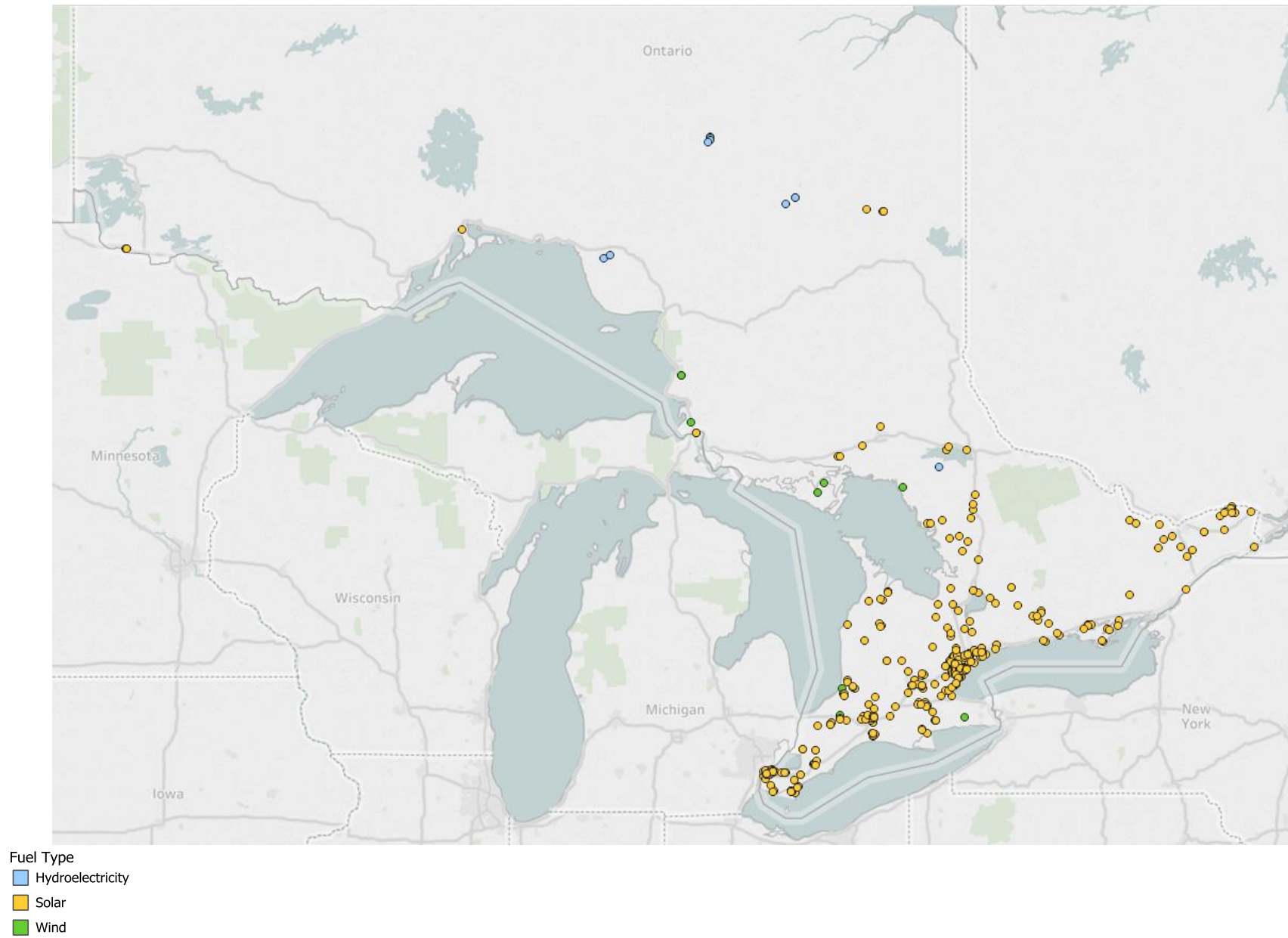
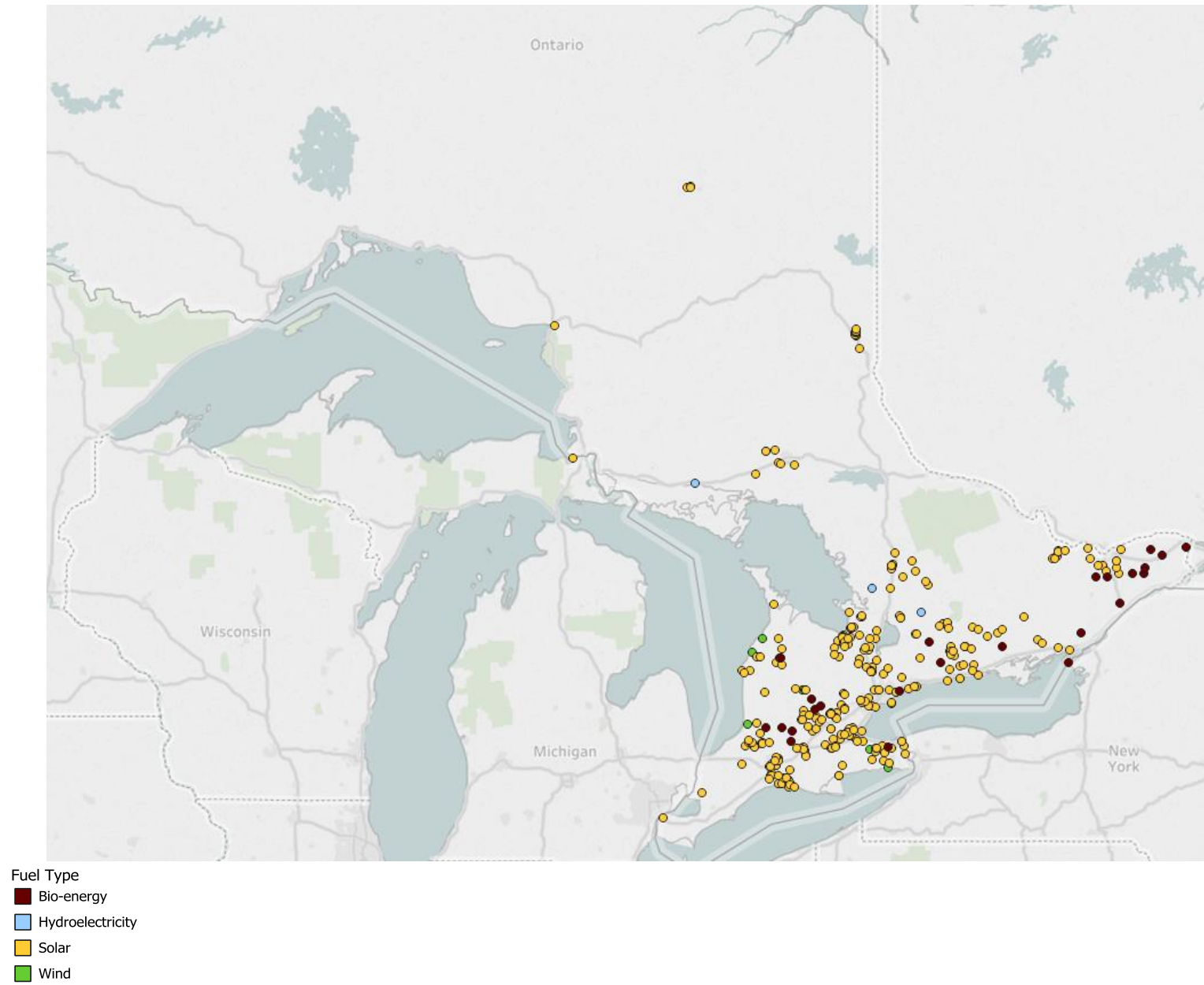


Figure 10: Map of FIT Community Participation Projects



Large Renewable Procurement (LRP) Program

On June 12, 2013, the Minister of Energy directed the IESO to end the procurement of large projects greater than 500 kW under the FIT program and replace it with a new competitive bidding process. As a result, the Large Renewable Procurement (LRP) program was created for renewable energy projects using on-shore wind, solar PV, bio-energy and waterpower. The LRP program has been designed to provide municipalities with a stronger voice and additional opportunities to participate in the development of renewable energy projects. The LRP program was launched in April 2016 with the initial execution of 454.9 MW in renewable energy contracts. As a competitive procurement program, LRP is also designed to encourage cost-efficient renewable energy projects to provide value for ratepayers. See Table 6 for more information on LRP.

microFIT Program

The micro Feed-in Tariff Program (microFIT) was launched in 2009 and the application window for new microFIT contracts was closed in December 2017. Projects under the microFIT program have contracted capacities of 10 kilowatts or less. All microFIT contracts are for renewable energy. Contracts for microFIT projects are offered only after the projects have been built and are ready to go into commercial operation. Table 11 below shows that virtually all microFIT contracts are either ground-mounted or rooftop-mounted solar mounted projects.

The number of contracts executed annually has varied and there have been different contract prices offered for contract versions. Figure 11 below illustrates the number of microFIT contracts that were executed at each price level along with the growth in microFIT capacity. Figure 12 illustrates the geographic distribution of microFIT contracts throughout Ontario.

Table 11: Number of microFIT Contracts and Capacity by Fuel Type

Fuel Category	No. of Contracts	Total Capacity (MW)
Bio-energy	1	0.01
Solar	30,195	261.58
Wind	4	0.02
Grand Total	30,200	261.61

Figure 11: Number of microFIT Contracts by Price and Capacity Growth

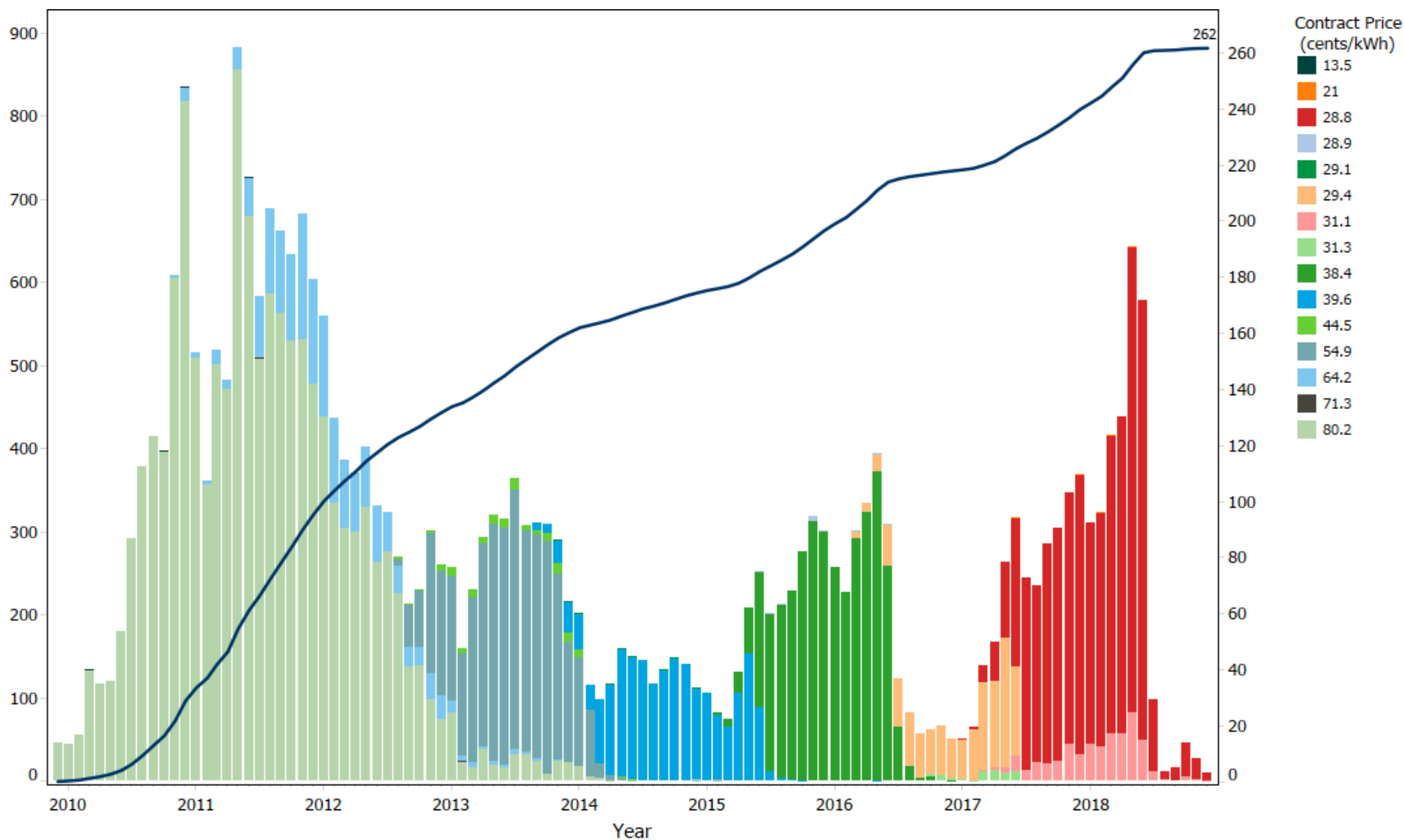


Figure 12: Map of microFIT Contracted Capacities in Ontario

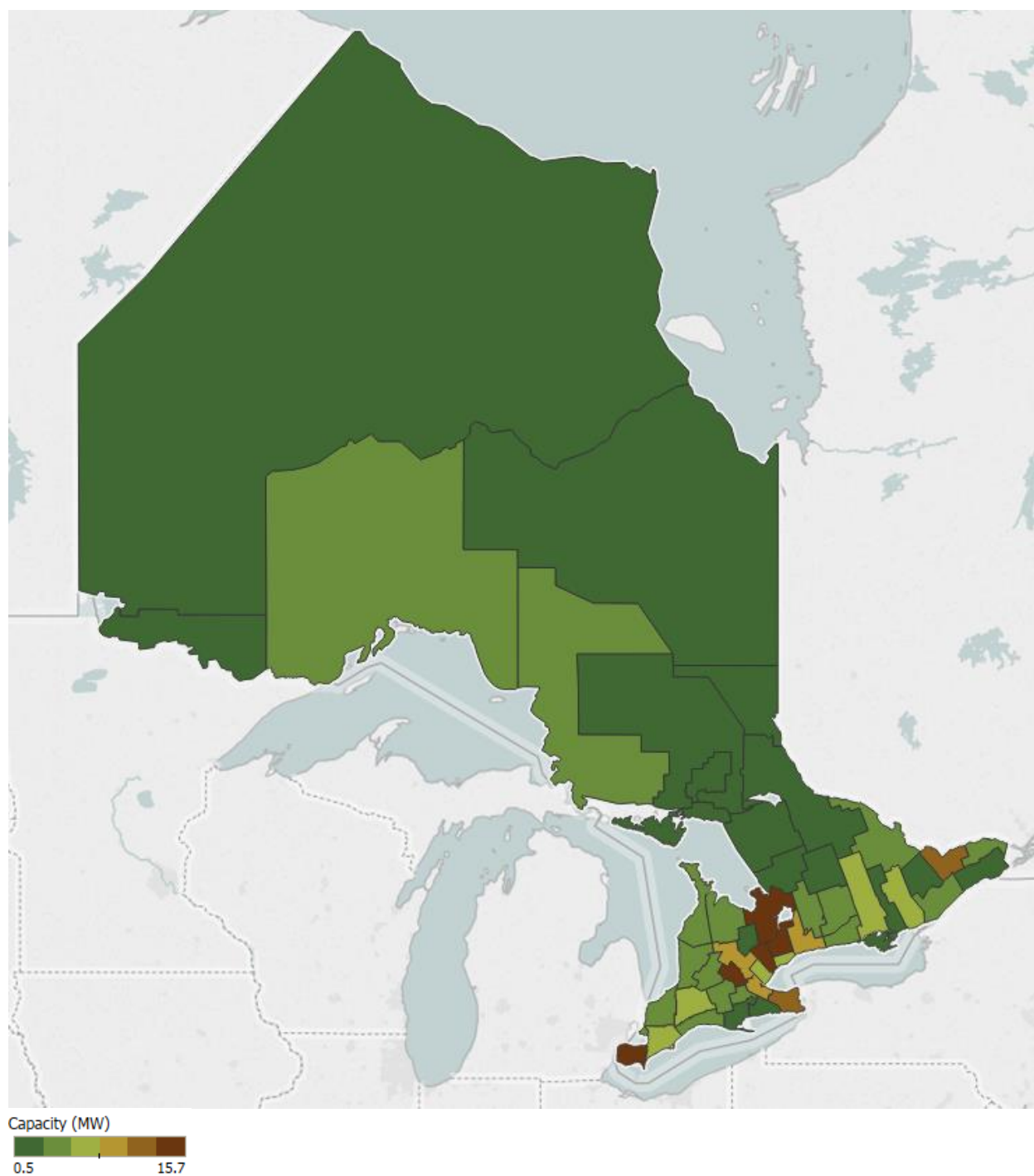
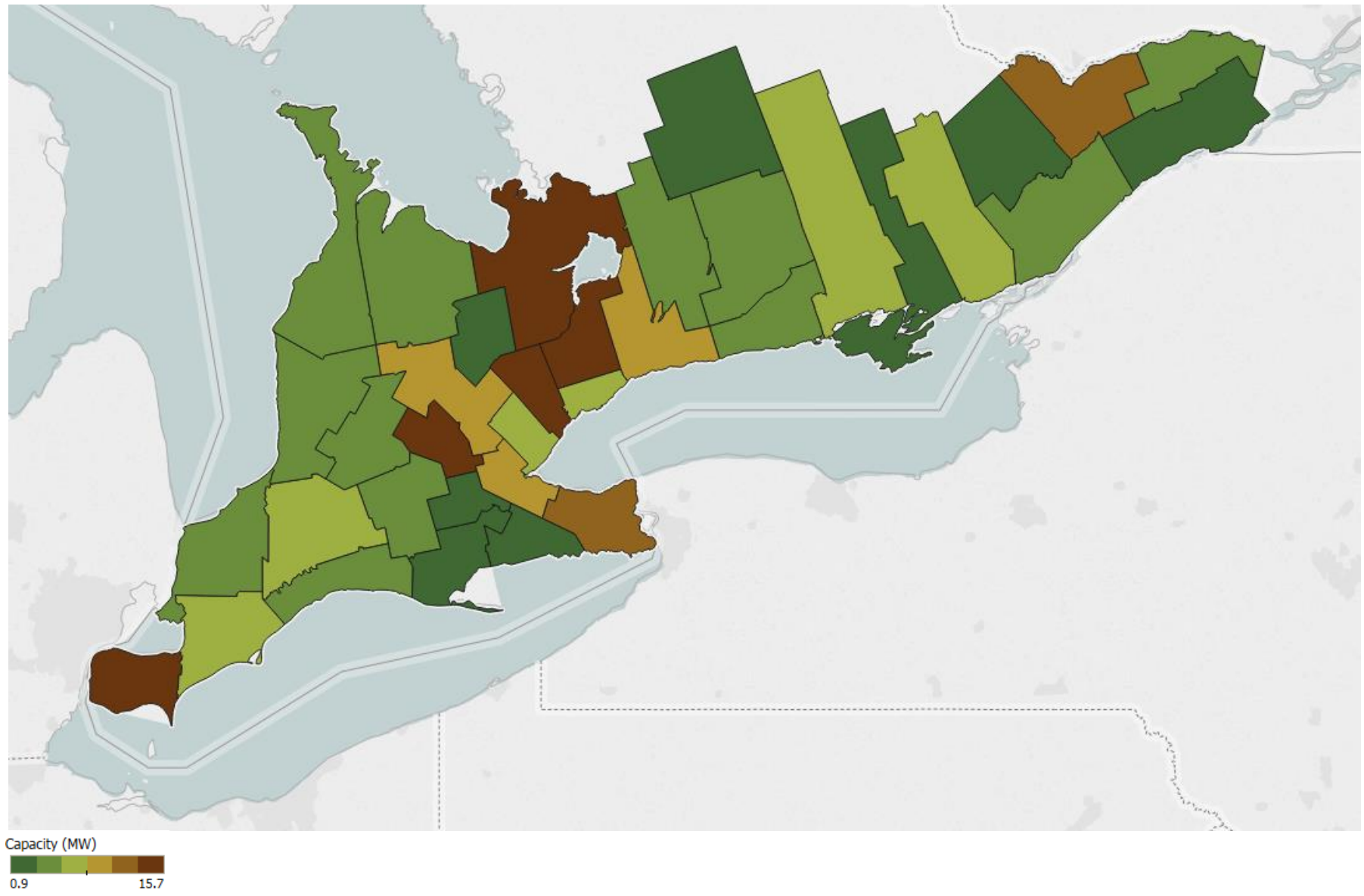


Figure 13: microFIT Contracted Capacities in Southern Ontario



Non-Renewable Fuel

This section provides a synopsis of the fuel types including clean energy (natural gas and nuclear energy) and energy from waste. The charts below illustrate the contract capacities added each year as well as the total growth in capacity for the particular fuel type. Figure 16 maps the approximate location of facilities that run on non-renewable fuel.

Natural Gas

IESO-contracted natural gas capacity is categorized into two groups based on technology:

1. simple and combined cycle (SC/CC)
2. cogeneration or combined heat and power (CHP).

Please refer to Table 1 and Table 6 for details on natural gas and other fuel capacity. Figure 14 and Figure 15 illustrate the timeline of natural gas facilities achieving commercial operation.

Figure 14: SC/CC - Natural Gas Capacity Added into Service by Quarter/Year

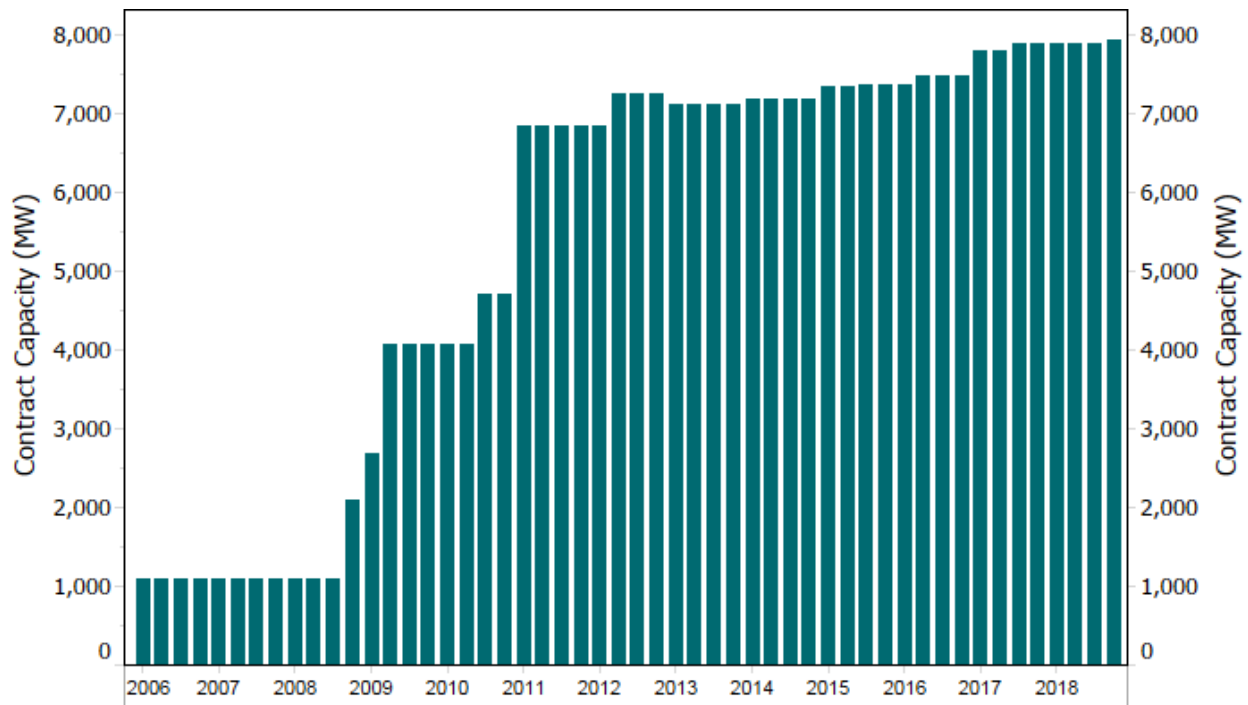
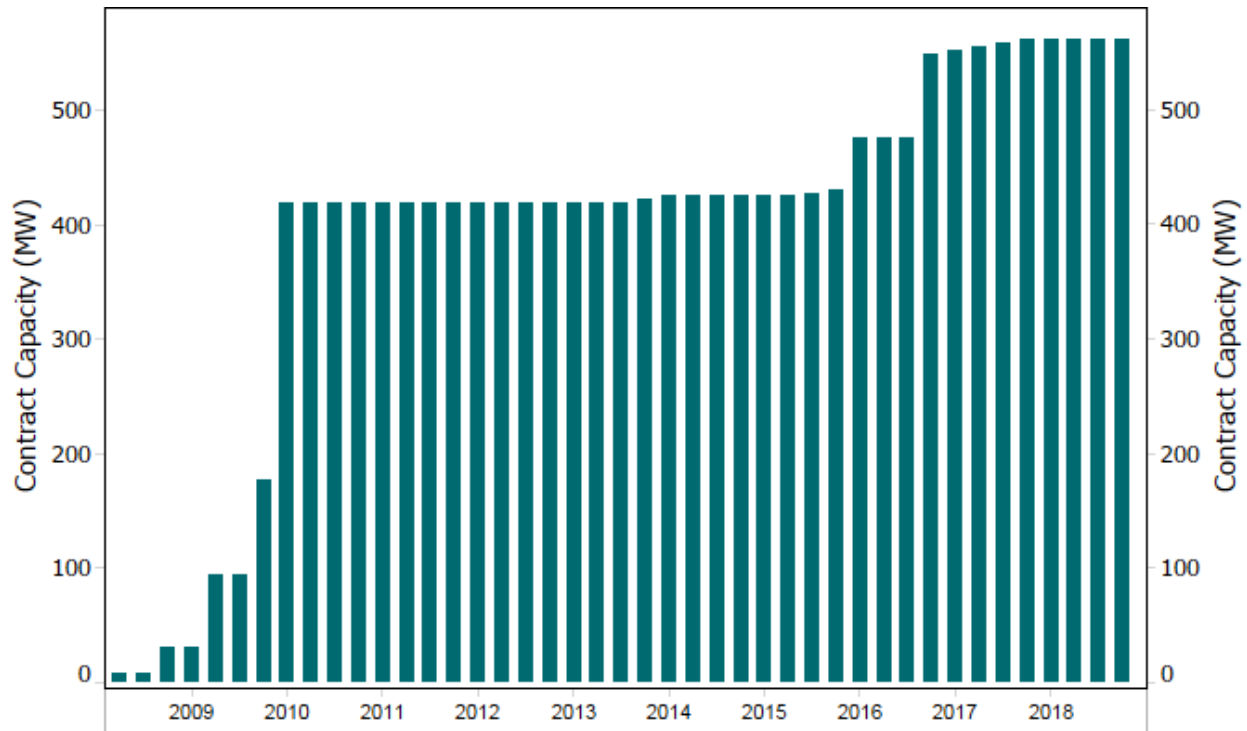


Figure 15: Cogeneration – Natural, By-Product Gas Capacity Added into Service by Quarter/Year

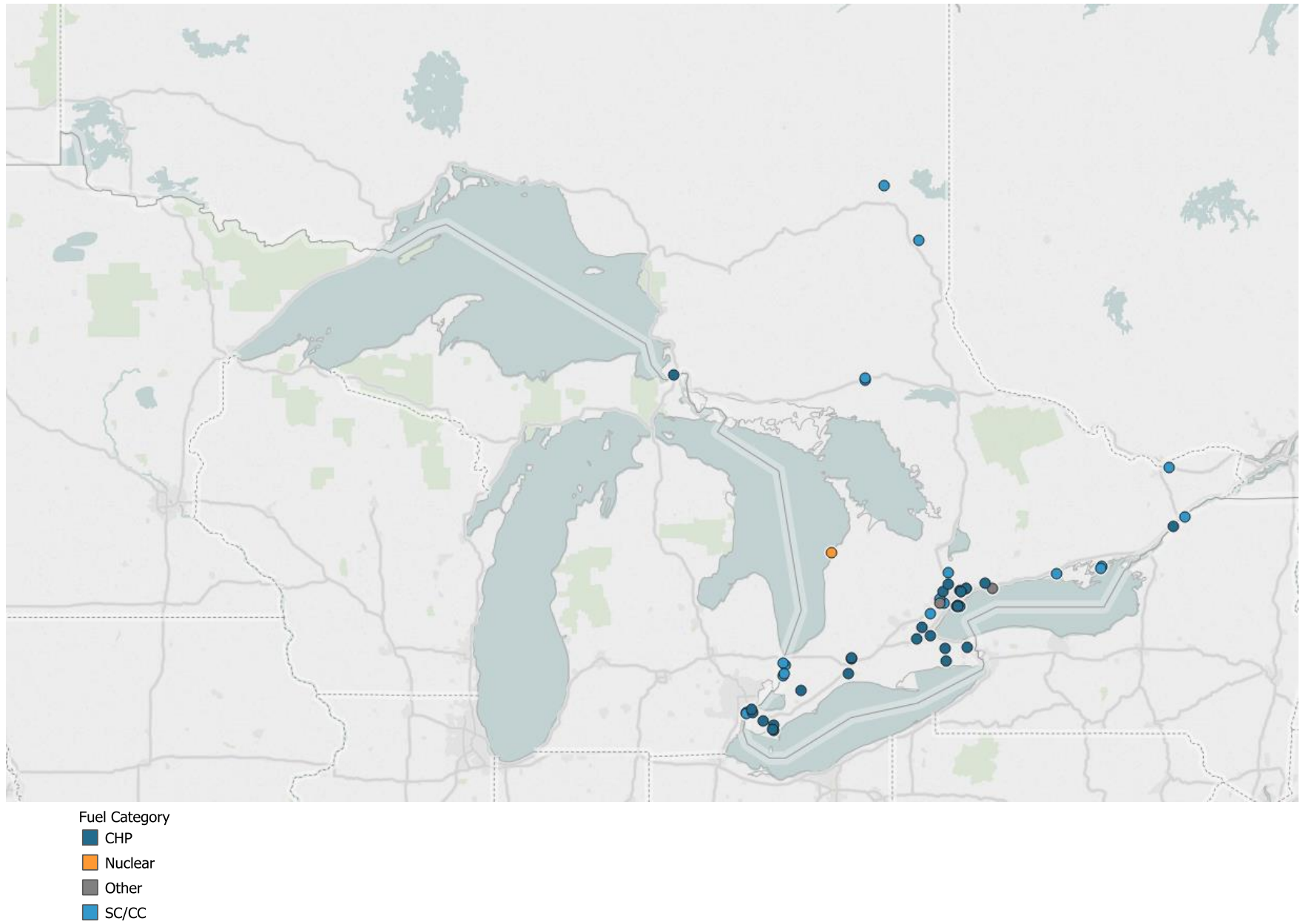
Energy from Waste

The energy-from-waste category of contracts comprises facilities that produce energy from the incineration of municipal garbage and/or waste. See the fuel type "Other" in Table 6 for further details about energy-from-waste capacity and the map in Figure 16 for the location of these facilities.

Nuclear

The IESO has 6,300 MW of nuclear capacity under contract from Bruce Power LP. The Amended and Restated Bruce Power Refurbishment Implementation Agreement (ABPRIA) took effect on January 1, 2016. Under the ABPRIA an additional 3,300 MW were contracted (Units 5-8). The ABPRIA also includes the refurbishment of six of the eight nuclear units on-site over a 14-year period, starting in 2020. The Bruce Power nuclear site is located on Lake Huron in Tiverton, Ontario and is one of the largest nuclear sites in the world. The site supplies Ontario with base load generation of over 50 terawatt hours annually, which is approximately one third of Ontario's demand.

Figure 16: Map of Non-Renewable Fuel Facilities (CO and UD)



Renewable Fuel

This section provides a synopsis of contracts for renewable fuels, which include bio-energy, hydroelectricity, solar and wind energy. The charts illustrate the capacities added each year as well as the total growth in capacity for each fuel type.

Bio-energy

Please refer to Table 12 below for details on bio-energy capacity fuel type. Figure 17 below illustrates the timeline of bio-energy capacities achieving commercial operation. Figure 18 maps the approximate location of bio-energy facilities and displays whether the project is in commercial operation or under development. The map in Figure 19 illustrates the geographic distribution of bio-energy capacity across the province.

Table 12: Number of Bio-energy Contracts and Contract Capacity

Categories		No. of Contracts		Total Capacity (MW)		% of Total Capacity		No. of Contracts	Total Capacity (MW)	% of Total Capacity
Fuel Type	Contract Type	UD	CO	UD	CO	UD	CO	Total	Total	Total
Biogas	FIT		22		12.2		3.4%	22	12.2	3.4%
	RES		1		1.6		0.4%	1	1.6	0.4%
	RESOP		7		6.2		1.7%	7	6.2	1.7%
	Total		30		20.0		5.6%	30	20.0	5.6%
Biogas (On-Farm)	FIT	6	19	1.5	4.5	0.4%	1.3%	25	6.0	1.7%
	microFIT		1		0.0		0.0%	1	0.0	0.0%
	Total	6	20	1.5	4.5	0.4%	1.3%	26	6.0	1.7%
Biomass	ABESA		1		205.0		57.5%	1	205.0	57.5%
	CHP		2		48.0		13.5%	2	48.0	13.5%
	FIT		1		17.8		5.0%	1	17.8	5.0%
	NUG		1		5.0		1.4%	1	5.0	1.4%
	Total		5		275.8		77.3%	5	275.8	77.3%
Landfill gas	FIT		4		13.8		3.9%	4	13.8	3.9%
	RES		2		7.7		2.2%	2	7.7	2.2%
	RESOP		11		33.5		9.4%	11	33.5	9.4%
	Total		17		55.0		15.4%	17	55.0	15.4%
Grand Total		6	72	1.5	355.3	0.4%	99.6%	78	356.8	100.0%

Figure 17: Bio-energy Capacity Added into Service by Quarter/Year

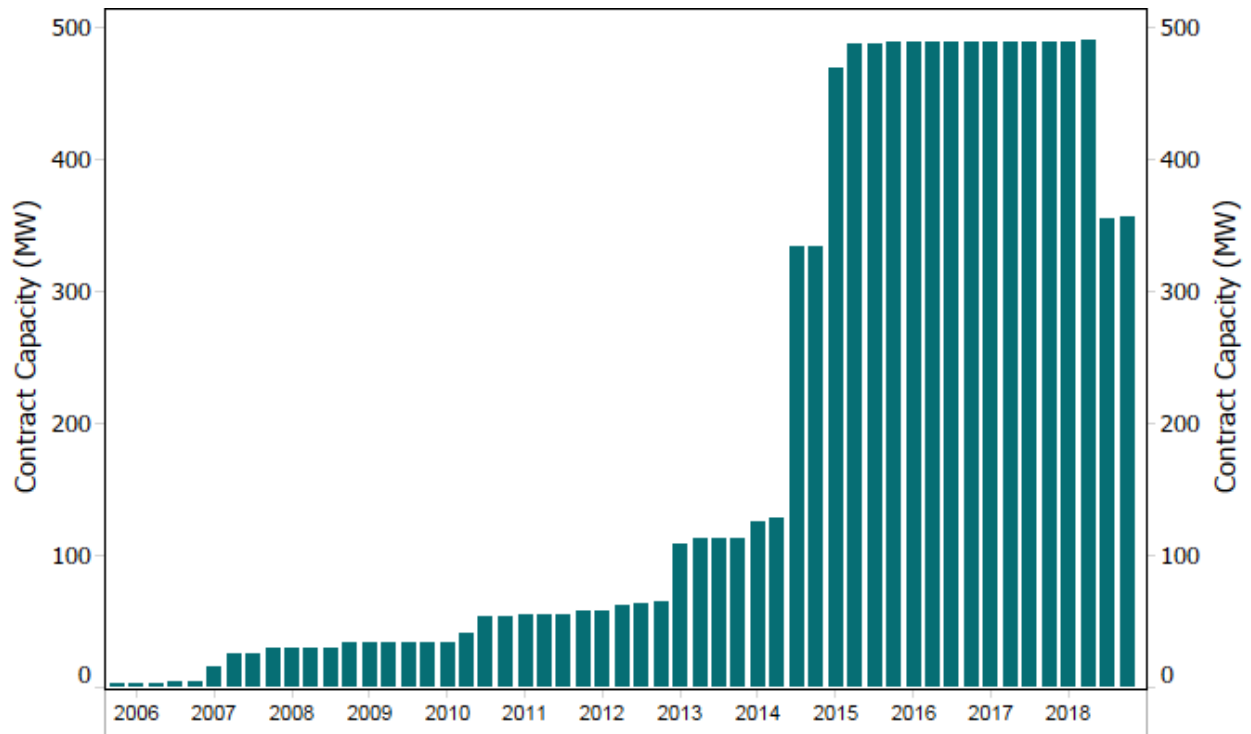


Figure 18: Map of Bio-energy Project Locations

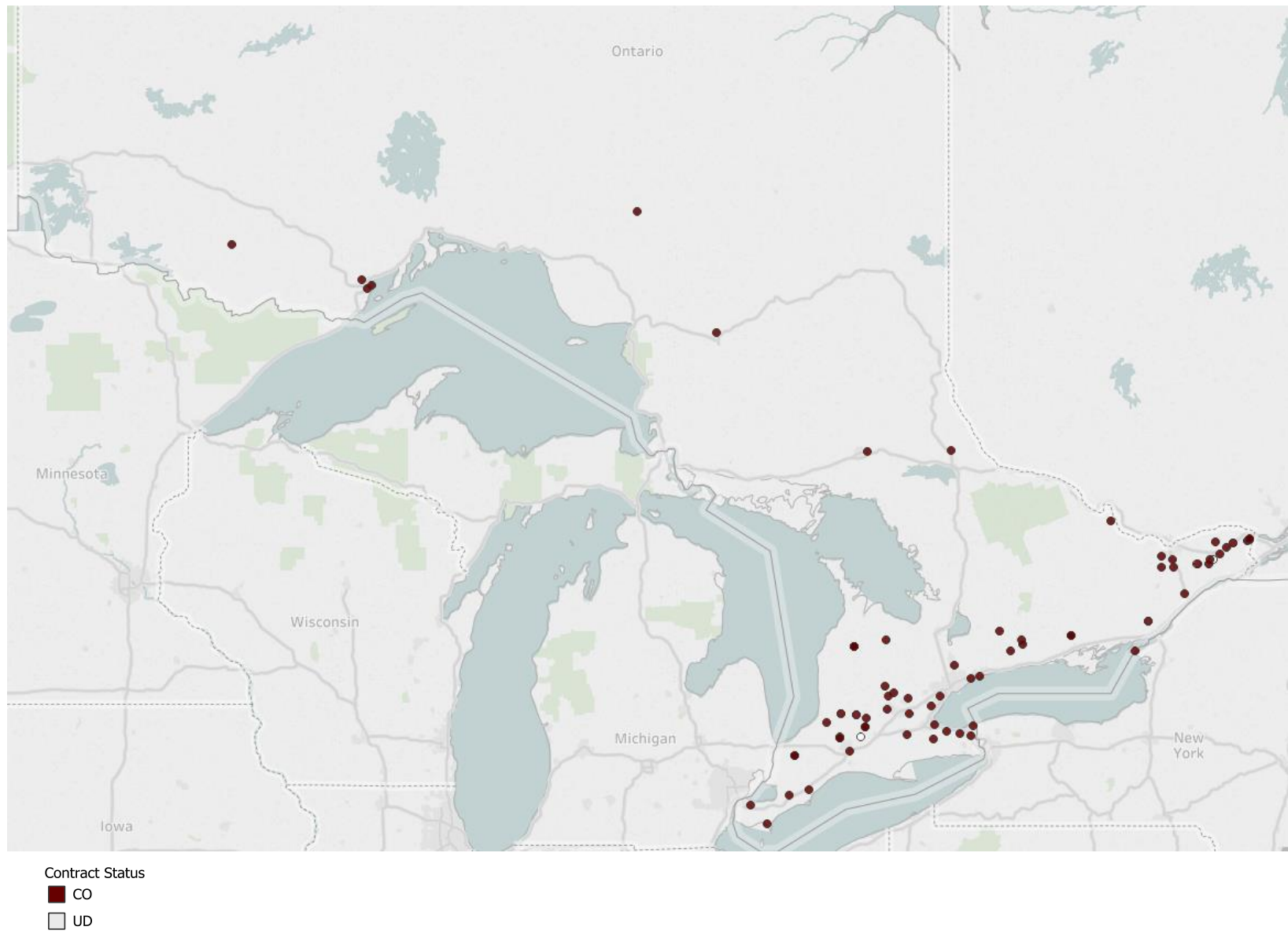
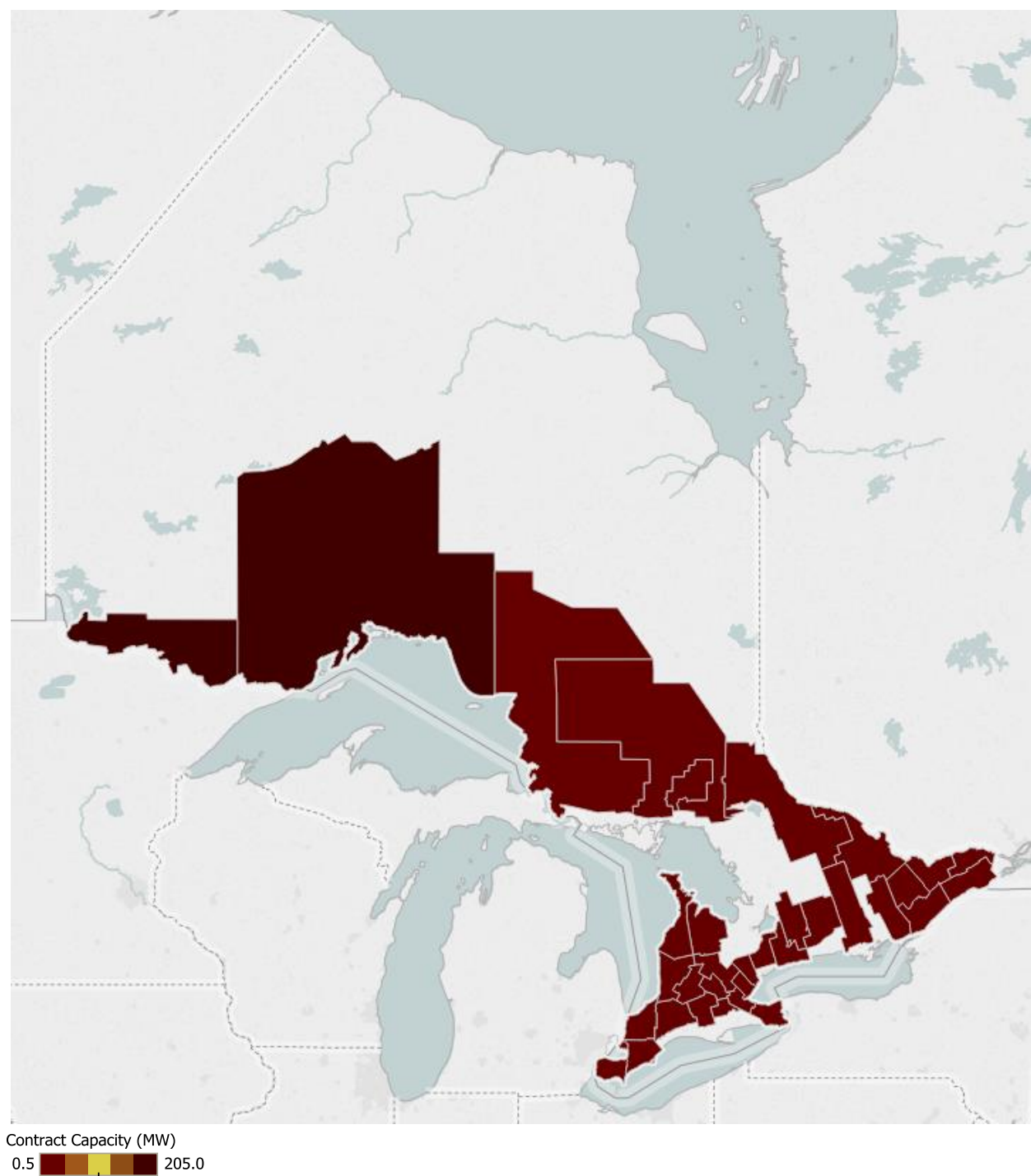


Figure 19: Map of Bio-energy Capacity In-Service



Hydroelectricity

Please refer to Table 1 and Table 6 for details on contracted hydroelectric capacity. Figure 20 below illustrates the timeline of hydroelectric capacities achieving commercial operation. Figure 21 maps the approximate location of hydroelectric facilities and displays whether the project is in commercial operation or under development. The map in Figure 22 illustrates the geographic distribution of hydroelectric capacity across the province.

Figure 20: Hydroelectric Capacity Added into Service by Quarter/Year

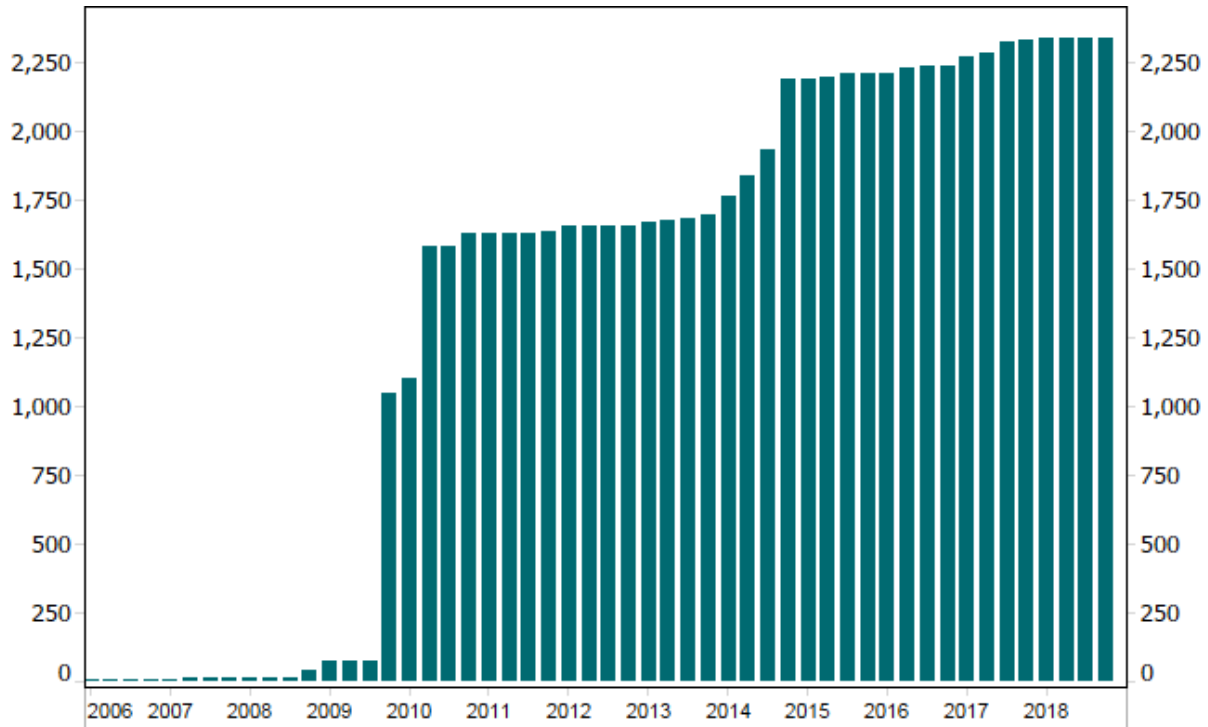


Figure 21: Map of Hydroelectric Project Locations

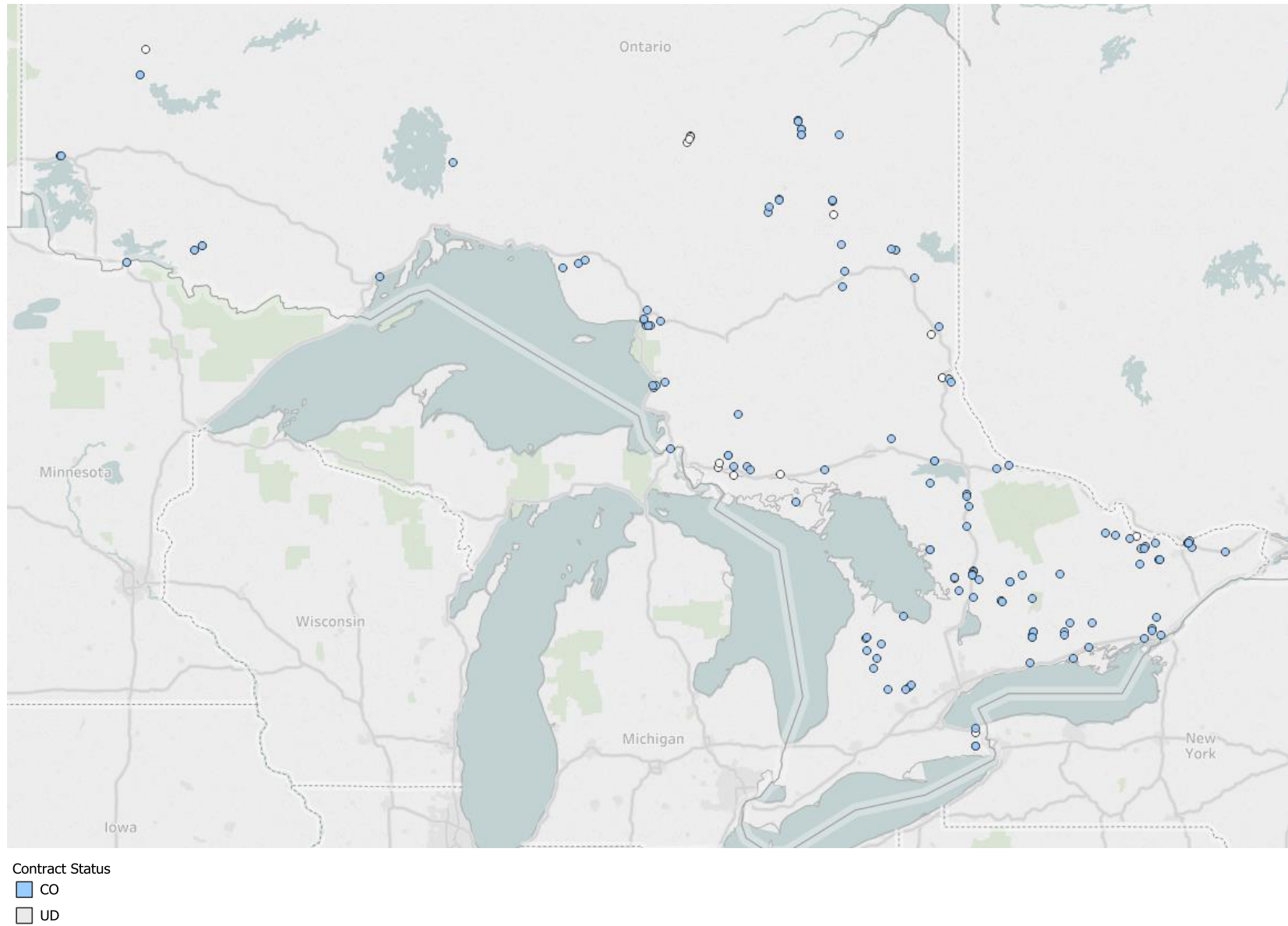
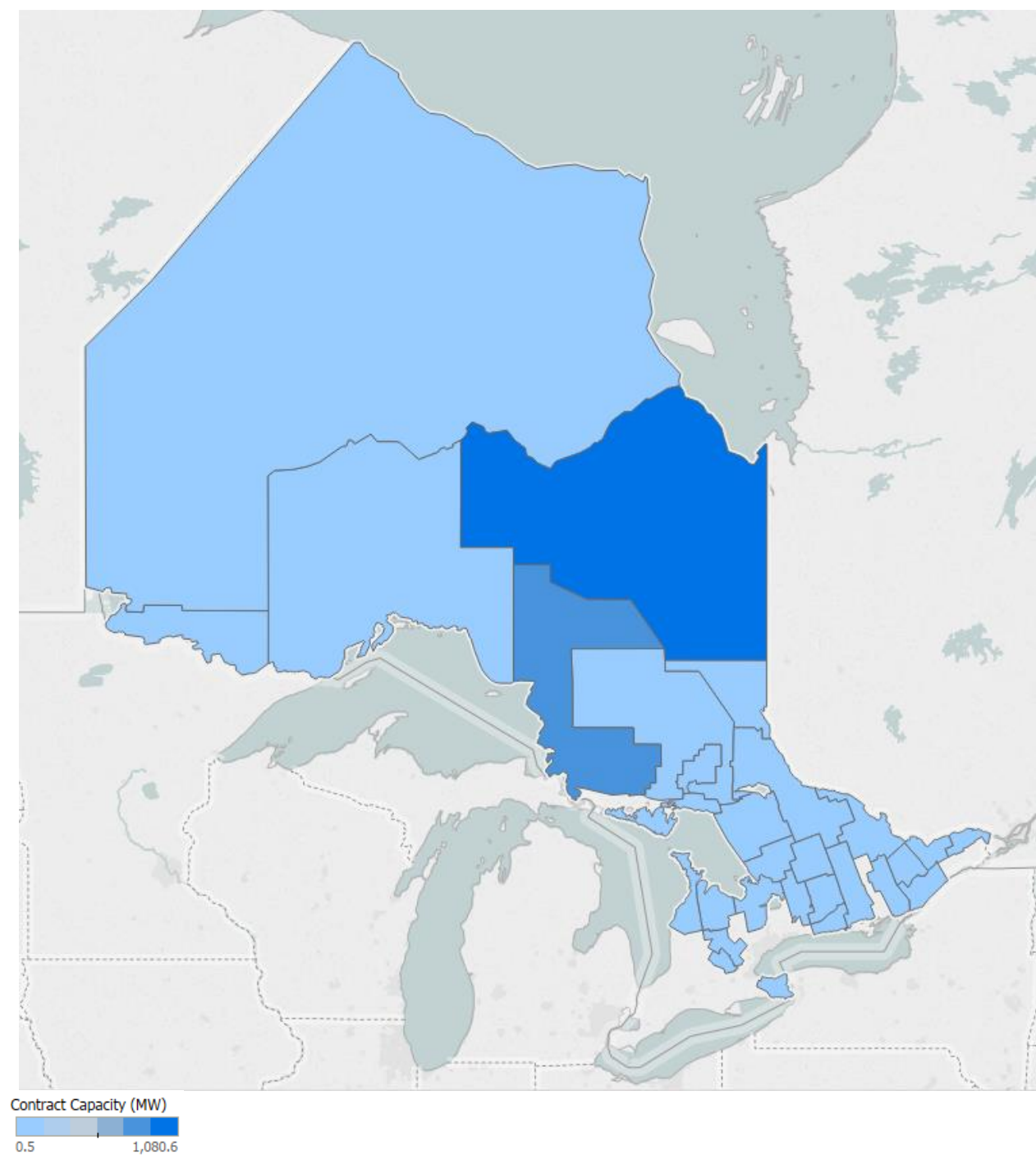


Figure 22: Map of Hydroelectric Capacity In-Service



Solar

Please refer to Table 1 and Table 6 for details on contracted solar capacity. Figure 23 below illustrates the timeline of solar capacities achieving commercial operation. Figure 24 maps the approximate location of solar facilities and displays whether the project is in commercial operation or under development. The map in Figure 25 illustrates the geographic distribution of solar capacity across the province.

Figure 23: Solar Capacity Added into Service by Quarter/Year

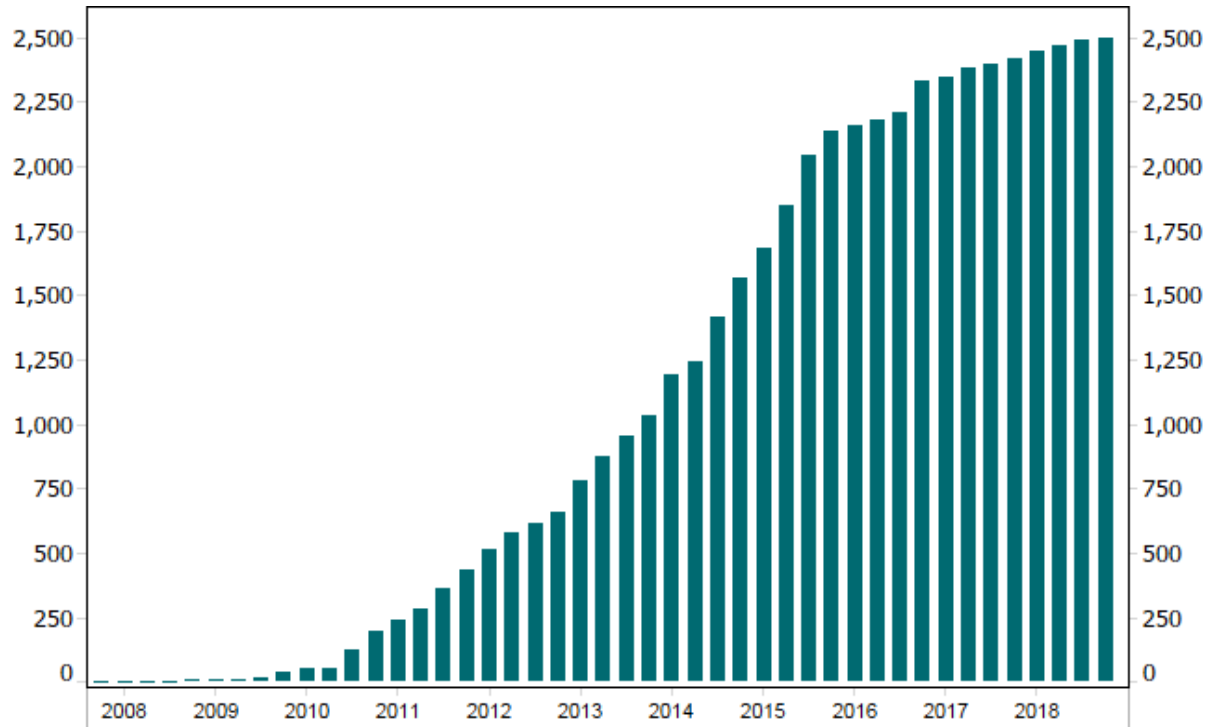


Figure 24: Map of Solar Project Locations (excluding microFIT)

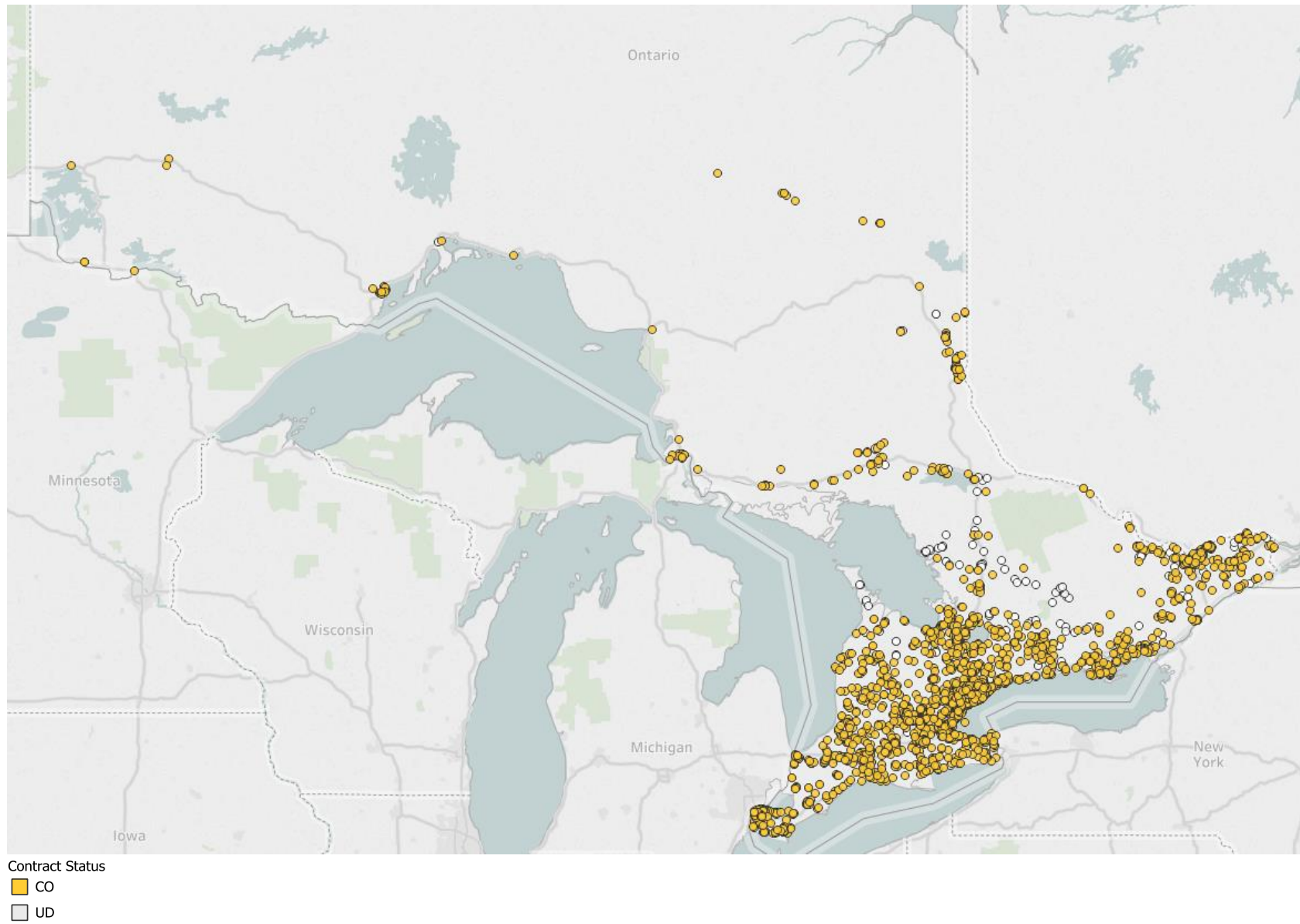
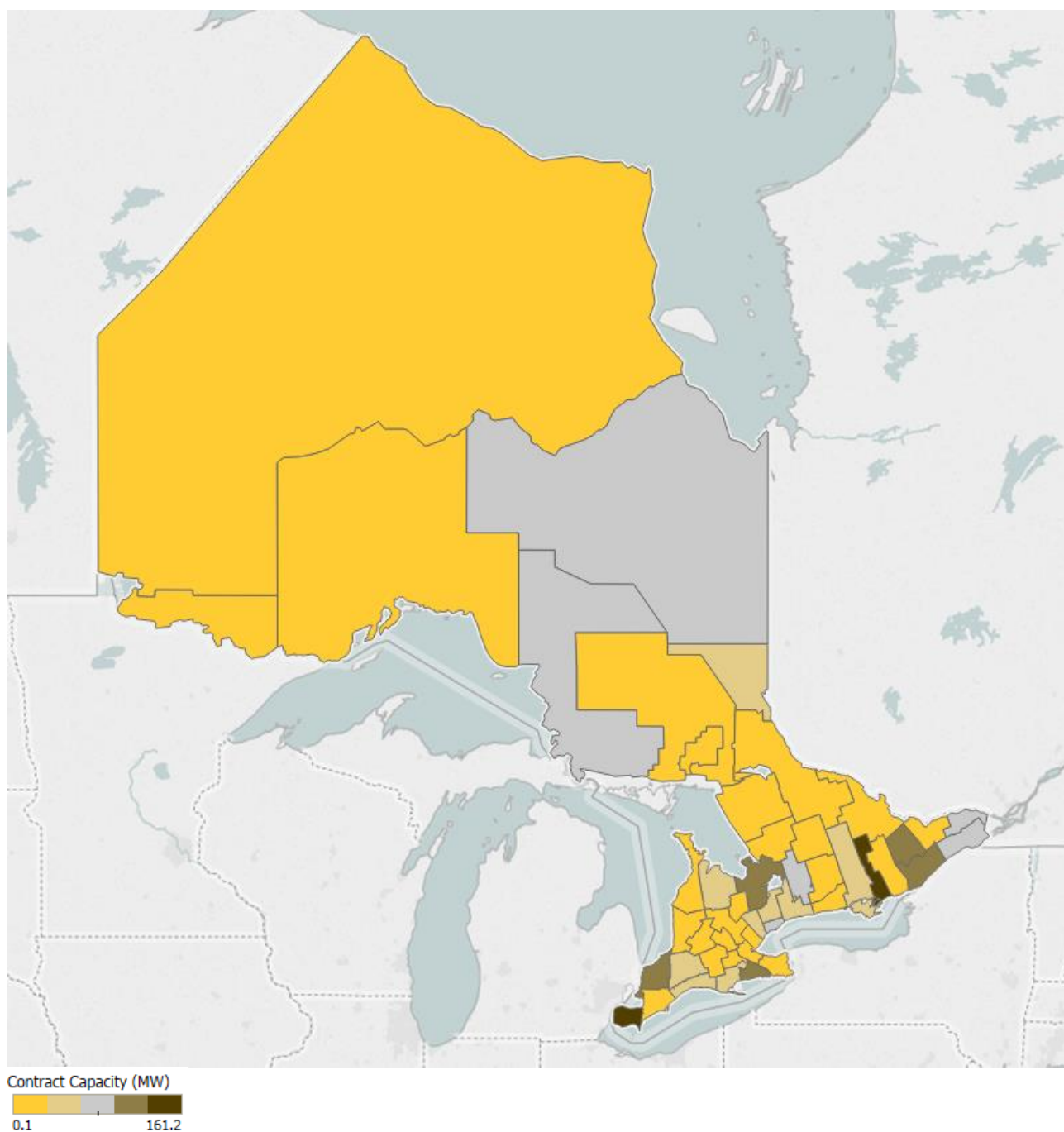


Figure 25: Map of Solar Capacity In-Service (excluding microFIT)



Wind

Please refer to Table 1 and Table 6 for details on contracted wind capacity. Figure 26 below illustrates the timeline of wind capacities achieving commercial operation. Figure 27 maps the approximate location of wind facilities and displays whether the project is in commercial operation or under development. The map Figure 27 illustrates the geographic distribution of wind capacity across the province.

Figure 26: Wind Capacity Added into Service by Quarter/Year

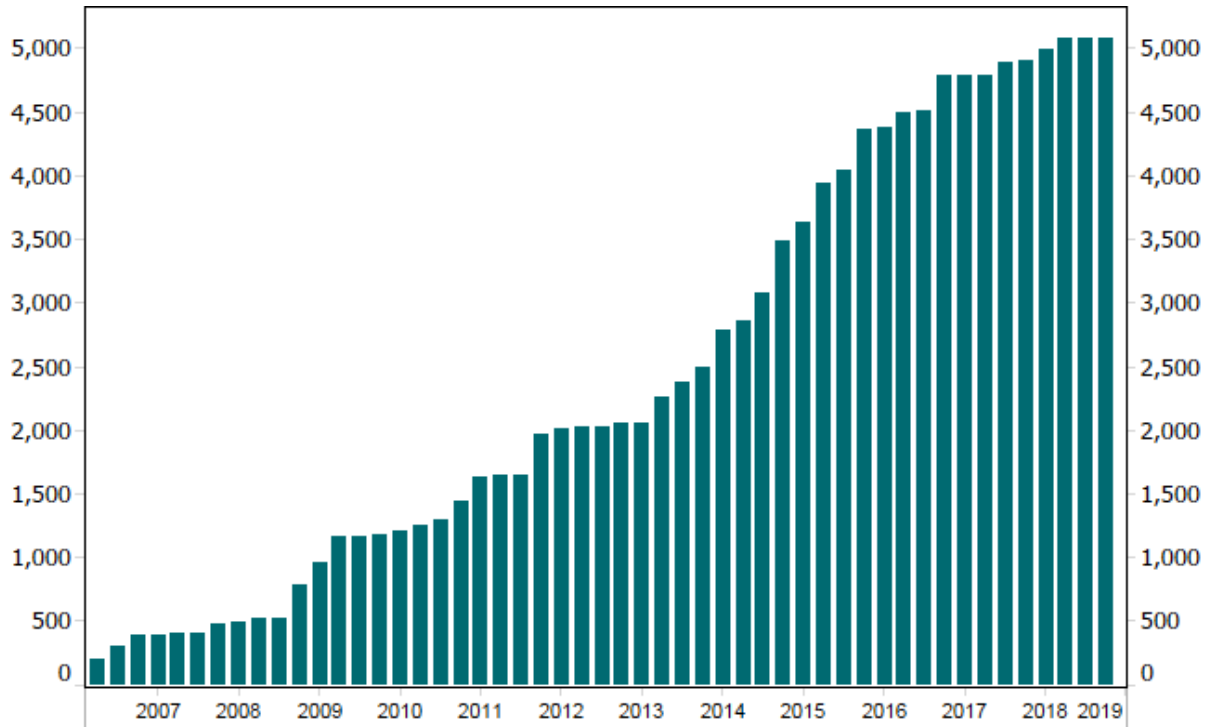


Figure 27: Map of Wind Project Locations

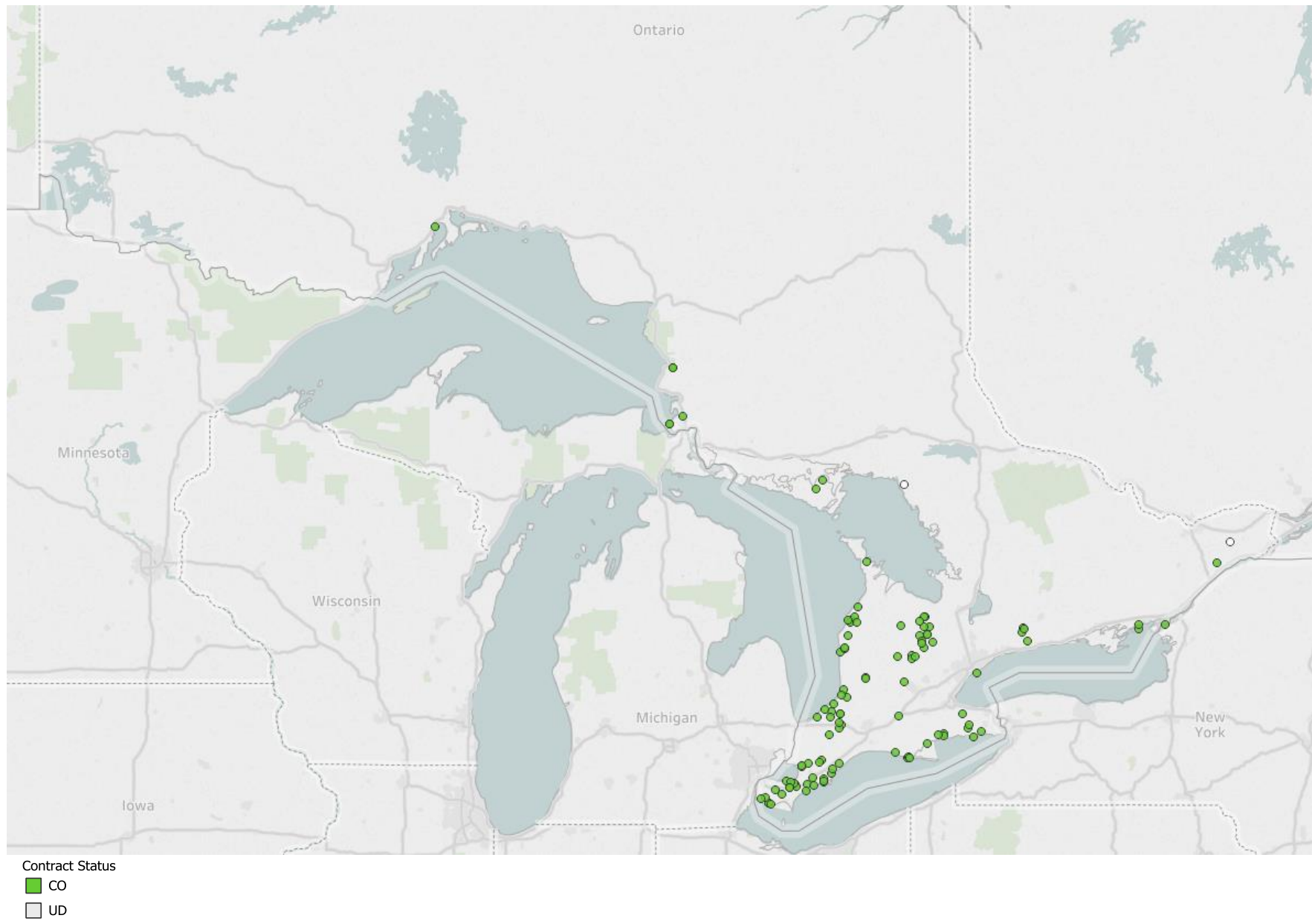
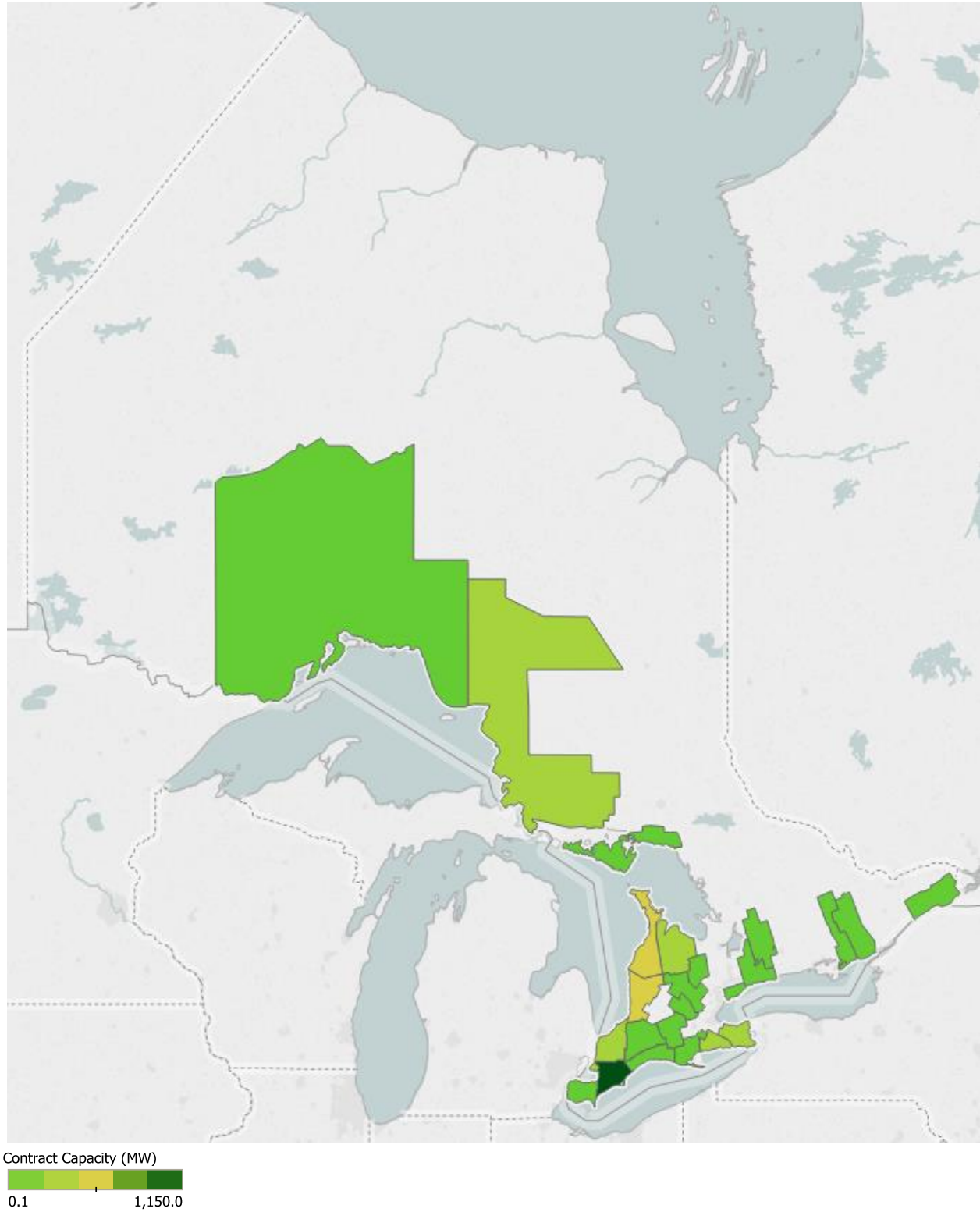


Figure 28: Map of Wind Capacity In-Service



Additional Details and Related Links

Indigenous participation:

<http://www.ieso.ca/get-involved/indigenous-relations/overview>

IESO's FIT programs:

<http://www.ieso.ca/sector-participants/feed-in-tariff-program/overview>

Large Renewable Procurement:

<http://www.ieso.ca/Pages/Participate/Generation-Procurement/Large-Renewable-Procurement/default.aspx>

Ministerial Directives:

<http://www.ieso.ca/corporate-ieso/ministerial-directives>

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