Commercial Feed-in Tariff (CFIT) Program for Micro Generators

February 2011

Summary of the CFIT Program

Version 1.0

The OPA has developed the CFIT (commercial feed-in-tariff) program for commercial micro generators. The table below summarizes the differences between the CFIT and the FIT/microFIT programs. The OPA will accept comments on the proposed rules, contract and conditional offers for a period ending Friday, February 18, 2011. Comments can be emailed to submissions@powerauthority.on.ca.

The commercial FIT program for micro generators is intended for the following participants:

- Commercial entities with multiple renewable micro-generation projects, each of which is 10 kW or less;
- Persons or entities who are not Eligible Participants or who are not otherwise eligible for the microFIT contract; and
- Persons or entities who wish to take advantage of secured lender provisions not found in the microFIT contract.

	Change	Reason for Change
Rules, contract and conditional offer	The CFIT program is modelled on the microFIT program in terms of the contracting and application process. An applicant submits an application, receives an offer to connect, receives a conditional offer, connects the project and receives a contract. The price is fixed from the time of conditional offer.	The CFIT program is designed to be streamlined and administratively simple. Changes to streamline the application and contract processes require an additional time, and will be considered during the two-year program review.

Price schedule	Eligible solar PV CFIT projects will receive 71.3 cents/kWh for rooftop projects and 44.3 cents/kWh for non-rooftop projects.	Prices were derived based on consultation with the microFIT advisory panel and external research throughout the fall of 2010. The OPA used the following assumptions: Rooftop price: 71.3 cents/kWh Capital cost - $6000/kW O&M - $105/kW/year ACF - 12.5% Non-rooftop price: 44.3 cents/kWh Capital cost - $5500/kW O&M - $115/kW/year ACF - 19%
Contract Section 12	Assignment – the Supplier may assign its rights under the contract. The OPA may assign its rights however the assignment rights of the OPA are limited to an LDC, another agency of the government of the Province of Ontario or an entity that has a credit rating not lower than that of the OPA at the time of such assignment.	The microFIT contract does not restrict the OPA's rights to assignment. This was raised as a concern by some lenders and has therefore been limited under the CFIT Program.
Contract Section 13	Secured lenders provisions – provision have been included to permit a lender to have step in rights in the event of a Supplier default to the lender	Lack of secured lenders provisions in the microFIT program was raised as a concern by lenders. The provisions in the CFIT contract are designed to satisfy lenders while maintaining a streamlined process.
Rules/ Contract	Incremental projects are not permitted in the CFIT Program.	This change is designed to streamline the application review process and timelines. This provision says that once an aggregator submitted an application on behalf of specific property owner at say 5 kW, the aggregator can't come back later and increase it to 8 kW.

Rules/Contract	In-series metering configuration is not permitted.	This change is consistent with the May 19, 2010 posting on the OPA website.
Rules Section 2	Only one project per property is permitted and the total project size must not exceed 10 kW. For greater clarity, a CFIT project may not be located on a property which contains a FIT or a microFIT project of the same renewable fuel.	This change is designed to streamline the application review process and timelines.
Rules Section 2 and 3	All applications must provide the Property Identification Number (PIN) of the property on which the project is located.	This change is designed to streamline the application review process and timelines. If a PIN number is not available, the applicant must provide a legal opinion in the Prescribed Form, which demonstrates that the requirements of section 2.1 (g) have been met.
Rules Section 2 and 3	The applicant must receive an offer to connect from the LDC prior to the OPA conditional offer of CFIT contract.	This change is consistent with the proposed microFIT rule change announced on December 8, 2010, and is designed to ensure that applicants are made aware of any connection constraints as early as possible. Applicants are encouraged to engage the local distribution company early on in the process, especially if they are proposing many projects in a centralized area.
Rules Section 3	The OPA may reject an application if any of the information is missing or incomplete.	This change is designed to streamline the application review process and timelines. Applicants are encouraged to submit complete applications so that the OPA will be able to process applications more quickly.
Rules and contract	Rooftop Facility and Existing Building – no change from FIT/microFIT	All applications are required to be for projects located on existing buildings which meet the requirements of the definition of rooftop facility.