

MORE POWER TO YOU: ONTARIO TO OFFER REBATE FOR HOME AND BUSINESS SOLAR SYSTEMS

03 May 2018

On May 1st, Ontario announced a new incentive program aimed at continuing to build out solar energy capacity in the Province[1]. The Solar Rebates Program, announced by the Green Ontario Fund ("GreenON"), will offset a significant portion of installing a solar photovoltaic ("PV") system or storage battery on commercial and residential properties. Unlike the former microFIT program, in which small-scale electricity producers were paid for electricity sold to the grid, the Solar Rebates Program will give businesses and homeowners a rebate to offset the cost of installing energy generation and storage equipment in their homes and business to meet their own needs for years to come.

What is GreenON?

GreenON is a not-for-profit Crown agency established in February 2017[2] under the Development Corporations Act[3]. GreenON provides support and financial incentives to individuals and businesses to stimulate the development of greenhouse gas-reducing technologies in Ontario. Current projects include applying proceeds from Ontario's carbon market to rebates for eco-friendly building upgrades, such as "smart" thermostats, high-performance windows, and energy-efficient retrofits.[4]

Program Basics

- The program aims to help recoup the cost of installing solar PV panels and storage batteries.
- Expected launch is Summer 2018.
- The initial phase of the program is limited to a province-wide aggregate of 50 MW for

businesses and 20 MW for homeowners.

- The program will operate on a first-come-first-served basis.
- Businesses with facilities in Ontario will receive \$.75 per watt for a solar PV system of up to 500 kW, and approximately \$26.00 per square foot for Solar Thermal Air installations.
- Homeowners will receive:
 - \$1.00 per watt for a solar PV system of up to 10 kW,
 - \$370 per kWh for a storage system,
 - \$1.50 per watt for a solar PV + storage system, and
 - \$3.00 per watt for a residential standalone off-grid solar PV + storage system.
- The rebates will offset a significant portion of the hard costs associated with installing commercial and residential solar and solar + storage systems, and should result in a significant build-out of distributed generation and storage across the province.
- Local Distribution Companies ("LDCs") will facilitate connecting the solar PV system to program participants' homes and businesses.

The Bigger Picture

Given the attractive terms, the program will likely be a boon for solar installers who have built up significant know-how over the course of the FIT and microFIT programs.

Manitoba, Alberta, and the Northwest Territories have previously introduced similar programs^[5] and seen significant market take up.

The involvement of Ontario's leading LDCs in the launch and operation of the program will lend significant credibility to the program in the eyes of consumers and should also be useful in helping Ontario's "wires businesses" gain a better foothold in distributed generation technologies, energy storage and other evolving competitive threats.

This program is a major step toward brightening the near-term future for Ontario's solar industry. Its implementation and overall progress over the next months and years will be closely watched by policy makers tasked with cutting the province's greenhouse gas emissions and sustaining long-term growth in the renewable energy sector.

More Information

Gowling WLG's renewable energy practice team works closely with Ontario's leading solar and energy storage technology firms and plays an active role in Canada's fast-

changing solar and distributed energy technology industries. For further information and insight, please contact a member of our team.

[1] <https://greenon.ca/programs/GreenON-Solar-Rebates>

[2] Ontario Regulation 46/17

[3] R.S.O 1990, c. D. 10

[4] <https://www.greenon.ca/en>

[5] Please see the following links for more information:

(Manitoba) <https://www.hydro.mb.ca/environment/solar.shtml>;

(Alberta) <https://www.encyalberta.ca/solar/>;

(Northwest Territories) <http://aea.nt.ca/programs/alternative-energy-technologies-program>

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