

Re: Projects Competing for Distribution Capacity

1. PURPOSE. The following directive is being administered to establish the criteria for awarding Community Feed-In Tariff approvals to areas where the number of applications exceeds the available distribution capacity.

2 . POLICY RATIONALE. The Renewable Electricity Plan contemplates Community Feed-In Tariffs as a tool to enable communities to benefit from the development of renewable electricity projects at the local level. In some cases, the Department has received multiple applications for the same distribution sub-station, resulting in the available capacity being exceeded by requested space. The Department is establishing this Directive to provide guidance on how the Department will recommend COMFIT projects for Ministerial approval in those areas where distribution capacity is in competition.

Applicants will be formally notified of the projects that are in competition. Informal collaboration to seek collaborative solutions is first and foremost encouraged. Once notified, applicants are encouraged to specify their intentions for each project to the Department. Once an applicant identifies that informal communication has not resulted in the desired outcome, and the Department must issue a decision, all applicants for that distribution capacity will be notified and given the opportunity to present to a selection committee. Applicants will also be given the opportunity to supplement applications in response to the criteria outlined below. Efforts will be made to begin the decision-making process as expeditiously as possible, ideally within two weeks of notice from an applicant. However this time line may be constrained by the availability of committee members, applicants and the number of projects for which a decision will be issued.

3. LEGAL AUTHORITY. Under Subsection 28(1) of the *Renewable Electricity Regulations*, the Minister may approve or reject an application for a Feed-In Tariff approval that satisfies the requirements of the Act and the Regulations. Additional information was provided to applicants via email on October 4th 2011.

4. DIRECTIVE.

The following criteria will be considered in awarding distribution capacity when there are multiple applications to a distribution sub station.

Community Benefit

- Overall financial return to the community and eligible group
- Support of the local community/ extent of community engagement in a project

- Partnership arrangements between competing applicants
- Additional benefits that may accrue within the community due to the project

Financing and Implementation Plan

- Sufficiency of financing agreement
- Efficient use of resource (such as site location), strength of resource assessment
- Previous experience or proven ability to implement similar projects and secure financing
- Reasonableness of corporate structure (debt to equity ratio, cash flow and financial forecasts)

Alignment with Government Priorities

- Overall compliance with the Renewable Electricity Plan
- Alignment with key government priorities such as the Jobs Here Strategy

Robust participation of eligible community groups, may also be considered as a deciding factor between two (or more) otherwise equal projects in terms of the above mentioned criteria. The Department may also consider allocation based on a strategic portfolio of an applicants. Applicants are encouraged to provide supplemental information such as audited financial statements or cash-flow analysis in support of projects.