

Ontario puts offshore wind-energy, home microFIT projects on hold

By Lee Greenberg, Ottawa Citizen February 12, 2011 1:40 PM



Wind energy is a key part of Ontario's feed-in tariff (FIT) program, which offers richly subsidized long-term contracts to renewable energy developers who use a certain amount of domestic content in their projects.

TORONTO – Once a shining example of its renewable energy plan, the Liberal government turned its back Friday on offshore wind energy, announcing an end to all projects until further scientific research is conducted.

Government officials said the decision was made to further investigate impacts on human health and damage to the natural habitat.

Also Friday, energy officials said about 1,000 homeowners applying to its microFIT program are being told they cannot go ahead with their projects because of capacity issues on the grid.

Energy Minister Brad Duguid downplayed the policy change, saying only a small proportion of applicants to its heavily subsidized feed-in tariff (FIT) program were from offshore.

Only one offshore wind project has been approved since the program came into effect in 2009. Windstream Energy Inc. planned to put 100 turbines southwest of Wolfe Island in the Kingston area.

“It’s simply a case of recognizing we need to take a closer look at the science on freshwater offshore wind projects,” said Duguid. “Right now there’s only one in the world we’re aware of, in Sweden. There’s a number of issues that need to be looked at before anything could ever be considered for approval.”

Opponents of wind energy called the change a major victory, saying the reversal proves the government moved too fast on implementing the program in the first place.

“They haven’t done their homework on wind energy,” said John Laforet, president of Wind Concerns Ontario. “A long term energy plan should be based on cold hard facts. They’re doing serious damage to the province by shooting from the hip on this issue.”

Duguid argued the province would have lost out if it had hesitated.

“There was a necessity to move quickly to capture the world market for clean energy. Had we not moved quickly at the outset of this program, Ohio or some other jurisdiction would right now be the benefactor of the billions of dollars that are flowing into the economy and the thousands of clean-energy jobs we are creating.”

It was unclear what compensation if any would be offered to Windstream, which had the lone offshore wind contract in the province.

“We are aware of the Ontario government’s announcement on offshore wind and we are examining all of our options,” said Nancy Baines, a spokeswoman for the company.

Wind energy is a key part of Ontario’s FIT program, which offers heavily subsidized long-term contracts to renewable energy developers who use a certain amount of domestic content in their projects.

While the program has achieved some success (15 large-scale projects are now in service, adding 10.6 megawatts of power to the grid) it has also encountered numerous setbacks.

Its future is also mired in political uncertainty ahead of October’s provincial election. Conservative leader Tim Hudak has criticized the guaranteed 20-year rates – as much as 20 times greater than the market price – as unsustainable.

On the microFIT program, energy officials have written to homeowners saying: “We regret to inform you that we are unable to provide you with an offer to connect your microFIT project at this time.”

Tom Adams, an independent energy consultant, says the government is to blame for the confusion surrounding the program.

“They both overpaid and ignored the fact that some locations on the grid don’t need more power,” he said. “The resulting green energy gold rush created a traffic jam on the grid.”

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