

## FAQs - microFIT Rule Change and Connection Capacity

1. **What is the rule change?**

The rule change requires all microFIT applicants to obtain an Offer to Connect from their LDC before the OPA issues a microFIT conditional offer. Previously, applicants obtained an Offer to Connect after receiving a conditional offer from the OPA. This rule change is designed to ensure that microFIT projects can connect to the grid before being offered a microFIT conditional offer. These changes will improve the application process and better align projects with available connection capacity.

The rule change applies to all applications submitted on or after December 8, 2010.

2. **Why is the rule change necessary?**

The response to the microFIT program and the FIT program for capacity allocation exempt projects has been tremendous. As a result of this success, applications for these renewable energy projects are outpacing the upgrades required to connect them to the grid in some areas. As described in the Long-Term Energy Plan, Ontario will continue to invest in upgrades to the transmission and distribution systems to accommodate renewable energy supply in an efficient and cost-effective way.

This rule change is designed to ensure that potential connection issues are identified as early as possible in the application and contracting process. These changes will improve the application process and better align projects with available connection capacity.

3. **What happens to microFIT projects that applied to the program before December 8, 2010?**

The rule change only applies to applications submitted on or after December 8, 2010. For applications submitted prior to December 8, proponents can apply for an Offer to Connect at any time.

***If you have a conditional offer and have not yet applied to your LDC for an Offer to Connect you are strongly encouraged to do so before proceeding further with your project.***

If you do not intend on proceeding with your project, it is also important to tell this to your LDC and the OPA.

4. **Why can't my LDC immediately connect all new renewable generation?**

The people of Ontario have clearly embraced the vision for a cleaner electricity system. Ontario has connected over 3700 microFIT projects already. However, applications to microFIT and CAE FIT are outpacing needed upgrades to some parts of

the grid. These constraints may limit the number of projects that can be connected immediately.

As described in the Long-Term Energy Plan, Ontario will continue to invest in upgrades to the transmission and distribution systems to accommodate renewable energy supply in an efficient and cost-effective way.

Due to the total volume of applications there may be unacceptable impacts to the system. In order to ensure the system remains safe and reliable, microFIT projects will only be connected when it is safe to do so from a system reliability perspective.

The OPA, Hydro One, and LDCs are working together to identify and prioritize the investments to enable further connection of renewable connection in a safe and cost effective manner.

We will be assessing the microFIT applications in your area, and once those assessments are completed we will contact you with an update regarding your microFIT application.

**5. How is my LDC determining capacity?**

Your LDC is determining capacity by undertaking a screening test for microFIT projects. The capacity screening test determines if there is adequate space on the distribution system to connect the proposed microFIT project and ensure the system remains safe, reliable, and efficient.

Each piece of the LDC equipment and the distribution or transmission equipment that an LDC connects through has technical restrictions that cannot be safely surpassed. Criteria based on accepted guidelines and standards have been established to ensure adherence of the proposed microFIT project connection to technical limitations and boundaries.

Each proposed microFIT project will be tested against these criteria and the result will determine if the project can be connected without negatively affecting the system. Applications to connect to your LDC's system are considered in the order in which they are received.

**6. What is "Capacity"?**

The electrical system has certain technical constraints, associated with the flow of electricity through the system and through the equipment. The equipment cannot safely handle the flow of electricity beyond the limits. This means that in some cases, not all the microFIT projects that apply in a certain location will be able to connect there.

Capacity constraints are similar to the electrical limits in your home. If there is too much of an electrical load in your home the breaker will trip off. If the Distribution

system has too much connected and is not adhering to the technical constraints it will adversely affect larger parts of the system.

The OPA, Hydro One, and LDCs are working together to identify and prioritize the investments to expand capacity to enable further connection of renewable connection in a safe and cost effective manner.

**7. What does “future infrastructure upgrades” mean?**

These are upgrades to the electrical system that add new equipment or upgrade existing equipment to open more capacity so future projects can safely and reliably connect.

**8. My equipment is already installed but I have not yet received an Offer to Connect from my LDC. What do I do now?**

Equipment cannot be connected to your LDC’s distribution system before you have received an Offer to Connect. Once your LDC contacts you, and if there are challenges in connection, please contact the Ontario Power Authority.

**Ontario Power Authority Contact Information:**

<http://microfit.powerauthority.on.ca/contact-us.php>

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