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June 21, 2024

Mathew Peltier  
Ministry of Energy, Energy Supply Policy Division  
7th floor, 77 Grenville Street  
Toronto, ON M7A 2C1

Via email to [ici.consultation@ontario.ca](mailto:ici.consultation@ontario.ca) and uploaded to the Environmental Registry of Ontario

Dear Mathew Peltier,

**RE: ER 019-8666 Ontario Regulation 429/04 Amendments Related to the Treatment of Corporate Power Purchase Agreements**

The Ontario Federation of Agriculture (OFA) welcomes the opportunity to provide comments from an agricultural perspective on proposed amendments to allow Industrial Conservation Initiative participants to offset demand through Power Purchase Agreements (PPA) with non-emitting generation facilities. OFA is Ontario's largest voluntary general farm organization, representing more than 38,000 farm family businesses across Ontario. These farm businesses form the backbone of a robust food system and rural communities with the potential to drive the Ontario economy forward.

Rural and agricultural communities can participate in solutions to help meet increased local electricity demand. Therefore, OFA supports a PPA framework that includes Class B customer participation, to provide these customers with the ability to reduce their electricity costs and carbon emissions. OFA supports enabling Distributed Energy Resources (DER) within the distribution system, and we recommend that regulators and the Ministry of Energy and Electrification consider reducing the minimum amount of electricity eligible for PPA from 1 MW to 500 kW. This would expand the number of decentralized, rural communities, businesses, and co-operatives able to purchase and supply power under PPA.

OFA recommends the proposed amendments include developing Virtual Net Metering (VNM) programs for Class B customers that have more than one metered account and the ability to generate power at one site and the demand at other sites.

In addition to constraints within the electricity grid, policy drivers influence the siting of all generation facilities. While agricultural feedstocks and land may be desirable for producing renewable energy, we support a framework that considers the protection of Prime Agricultural Areas. OFA is pleased that the IESO (Independent Electricity System Operator) has taken direction from the Ministry to assess procurement processes with criterion that consider protection of prime agricultural areas, Municipal Support Resolutions, community engagement, and environmental and permitting approvals.

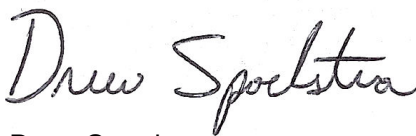
The IESO's Pathways to Decarbonization Report envisions up to 69,000 MW of new and replacement transmission system capacity is needed to meet the 2050 electrification targets. OFA recommends that regulators and the Ministry continue to prioritize the siting of all energy infrastructure, including distribution system infrastructure, on commercial and industrial land, and not permit siting on Canada Land Class 1 through 4 or Specialty Crop Lands.

Only after alternative locations have been evaluated, and there are no reasonable alternative locations which avoid prime agricultural areas, or prime agricultural areas with lower priority agricultural lands, should rural lands be considered. Exhausting all other siting options, is necessary to protect Ontario's finite farmlands from further decline. Additionally, we recommend all infrastructure proponents conduct an Agricultural Impact Assessment and mitigates impacts to agricultural areas.

We recommend all stakeholders considering farmland for DER and non-utility power facilities review the Ministry of Agriculture, Food and Agribusiness *Guidelines on Permitted Uses in Ontario's Prime Agricultural Areas*<sup>1</sup>. These guidelines limit the scale of non-farm activities and ventures, to ensure that they are compatible with the surrounding agricultural operations, and that prime agricultural areas continue to be primarily used for agriculture.

The recommendations proposed above will allow for a balanced approach that enables rural and agricultural communities to participate in their clean energy future in a manner compatible with agricultural practices. By supporting our agricultural industry, we can ensure the continuation of a robust food system and rural communities which have the potential to drive Ontario's economy forward.

Sincerely,



Drew Spoelstra  
President

cc: Hon. Stephen Lecce, Minister of Energy and Electrification  
David Donovan, Chief of Staff to the Minister of Energy and Electrification  
Hon. Rob Flack, Minister of Agriculture, Food, and Agribusiness  
Tara Barry, Chief of Staff to the Minister of Agriculture, Food and Agribusiness  
Hon. Lisa Thomson, Minister of Rural Affairs  
William Sheffield, Board Chair, IESO  
OFA Board of Directors

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<sup>1</sup> <https://www.ontario.ca/files/2024-04/omafra-publication-851-guidelines-on-permitted-uses-in-ontarios-prime-agricultural-areas-en-04-02-2024.pdf>