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Export date: Fri Oct 30 16:13:19 2026 / +0000 GMT

FIT Changes to save $250 million annually: Chiarelli

Dufferin Wind Power (DWP) is welcoming changes to the provincial feed-in tariff (FIT) program that will alter the ways in which commercial-scale wind farms gain approval, and provide greater income to host municipalities, among other things.

But Melancthon Mayor Bill Hill says last week's Ministry of Energy announcement of changes raises ?more questions than answers,? promises municipal consultations that had been promised before, and gives municipalities ?no veto power.?

The mayor said he was still digesting ?what little there was to digest? on Monday. He didn't wish to speculate about the outcomes, but suggested it would have been simpler to have a totally independent assessment of (advantages and disadvantages of wind farms) and to declare a moratorium until the results were known.

The announced changes do retain the FIT and micro-FIT regulations for wind and solar installations of 10 MW or less capacity. As well, Energy Minister Bob Chiarelli said in a media conference call Friday that the changes need fine tuning, and the future renewable energy mix is to be reviewed.

DWP is awaiting environmental approval for its 100 MW wind farm proposed by a group of Melancthon farmers and for approval to proceed with a transmission line to the Orangeville substation. The changes to the FIT program do not affect the DWP proposal.

?We will honour existing contracts. We're legally bound to proceed,? the minister said. But he added that having a contract doesn't guarantee approval.

At DWP, spokesperson Rebecca Crump said in an emailed response, ?Dufferin Wind applauds Minster Chiarelli's May 30th announcement related to improvements in the planning and procurement of renewable power generation in the province.

?The continued procurement of microFIT and small FIT generation resources demonstrates the Provincial government's ongoing commitment to sourcing clean renewable energy for Ontario's future.

?In addition, the transition to competitive procurement for large scale renewable generation will help to improve the development process and ensure that Ontarians receive competitively priced electricity,? Ms. Crump said.

Minister Chiarelli preferred to use the term ?competitive procurement? rather than ?request for proposals (RFP),? which were in place upon establishment of the Melancthon wind farm. The per kwh price paid for Melancthon was never officially revealed but has always been understood to be around nine cents a kwh in the first phase although it might have gone to 11 cents for the second phase, including federal support.

The commercial wind farms qualified for the 13.5 cents a kwh after they fell under the FIT program. Smaller installations will continue to be paid the higher per kwh rate. Assessments on wind farms have been capped at $40,000 per MW capacity. The minister, asked about capping, said it would be an issue for the Finance ministry.

Under the changes, the Independent Electricity System Operator (IESO) is being given absolute control of the energy flow to the grid. Minister Chiarelli said wind farms would be ?dispatched? when not needed, specifically at night, which, he said, would save the province $250-million annually.

There was an indication that new wind farm applications might not be approved unless they included agreement with the host municipalities, and their greatest chance might be to act in partnership.

In an internet posting, however, Lorrie Gillis of Wind Concerns is leery of the promised consultation process. She says consultation has always been promised but hasn't always happened.

Amaranth, among other municipalities, has been suggesting a 2,000 metre setback rather than the present 550 metre one prescribed by the province.

Responding by email to a question related to setbacks, a ministry of energy spokesperson said:

?The changes we're making to the procurement process will provide municipalities with a stronger role going forward, but will not provide a veto.

?Competitive procurements for each individual project will ensure that renewable energy developers work directly with municipalities, before contracts are awarded.

?This new approach will engage municipalities from the beginning to identify appropriate locations and siting requirements for future large renewable energy projects.

?This procurement process will be developed by the Ministry of Energy and the Ontario Power Authority, in coordination with Ontario's ongoing review of our Long-Term Energy Plan.?

Dufferin?Caledon MPP Sylvia Jones offered these comments to the Free Press, ?I think Min Chiarelli's announcement will do nothing for the municipalities and residents who are living with the consequences of the Liberal government's poorly designed policy surrounding Industrial Wind Turbines. I don't believe this latest announcement will improve how turbines are sited or protect residents dealing with existing turbines.?

By Wes Keller