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## **Partisan Politics over Ontario's Green Energy Program Is Limiting Ratepayers' Return on Investment in Solar Development, Solar Power Network Finds**

*- Industry Pushes Forward Despite Campaign Rhetoric's Damage to the Solar Value Chain-*

TORONTO (September 22, 2011) – Ongoing political debate from opposition parties over the McGuinty government's Feed-In Tariff (FIT) program is crippling value chain development for solar companies, according to a recent industry review by Solar Power Network Inc. (SPN), released today. In order to solidify the industry's development network and, ultimately, establish an enduring program, SPN estimates that the current commercial rate needs to decrease to 60¢/kWh by the end of this year, a 20% reduction. But this can only happen once the rhetoric ends and the FIT program, as established, is able to run its course and develop its full potential.

What opposition parties are continuing to disregard is the domino effect their rhetoric has on the viability of the current Green Energy Act and the future feasibility of Ontario's solar industry. Their threats to dismantle the current Green Energy Act, post September 30, 2011, have appeared to have lead to application processing delays and uncertainty in contract awards since December 2010. Without even an interim statement of commitment, these factors continue to foster market instability. Such instability is preventing the costs associated with manufacturing, engineering, financing, and installation to decrease. Additionally, while we applaud the terms of the current program that call for Ontario-manufactured materials, which have lead to job creation throughout the province, the policy, coupled with the current political instability, layers on a significant cost premium on the industry.

"Upon entering the solar arena, the industry was promised a chance to grow throughout the two-year, inaugural run of the Green Energy program, giving companies like Solar Power Network the opportunity to build the industry before its future was threatened," says Peter Goodman, CEO of Solar Power Network Inc. "Ironically, it's the fight amongst ratepayers, fuelled by the opposition party in this provincial election campaign, that has severely limited the return on investment that the Province needs to realize before considering the program a success. Certainty in favour of the Green Energy Act, as opposed to a stalled rollout of anticipated contracts, is what is needed to successfully achieve an innovative market, which the current government has worked so hard to champion."

Countries with similar green energy mandates which have been supported by clear political commitment have benefited from decreases to the cost of materials and development; however, without a credible forecast structure in place, risk in the Ontario solar market remains too high to attract and retain the longer term financial interest and investment in innovation needed to mature the industry and drive costs down. Lower costs will spur a decrease in commercial rates and ultimately result in a lower subsidy funded by ratepayers.

Despite uncertainty of the future policy framework, pending the results of the current campaign, Ontario's solar industry has still seen major development due to the diligence of industry pioneers. SPN, for example, has introduced a lower panel angle to maximize efficiencies and create useable rooftop space out of many Ontario roofs that can't sustain loads from traditional higher-angle solar layouts.



SPN's lower panel angle also mitigates the impact of wind and snow throughout the harsh Canadian winter, allowing for the economic capture of energy regardless of weather conditions.

"Despite the political wrangling, the business of solar electricity generation in Ontario is already on a world-class track," adds Goodman. "We're currently within reach of countries like Germany, which has benefited from consistent political will for more than a decade longer than we have here in Ontario. We need to establish that same political will. Legislative risk is the single greatest barrier to achieving global cost parity."

To curb this unintended consequence, the Ontario solar industry and its ratepayers need stability in the government's commitment toward green energy. If the current program were allowed to roll-out contract offers at the current rates ending September 30<sup>th</sup>, and if a new two-year solar policy were established, then prices would fall significantly – by 20% to 60¢/kWh. The goal of global cost parity is something that is within our reach – legislative stability in Ontario will cause the cost drivers to decrease, which will lower ratepayers subsidy of this emerging industry.

### **About Solar Power Network**

Solar Power Network Inc. is a Canadian-owned private company, based in Ontario and specializing in generating clean energy, using proven solar technologies. Solar Power Network partners with local businesses, leasing and converting idle roof-tops into solar power generation spaces. The company offers competitive, generous, up-front payments and continual roof maintenance services. Led by a team of professional engineers, Solar Power Network offers building owners high financial return with minimal risk and structural impact.

For more information visit: [solarpowernetwork.ca](http://solarpowernetwork.ca).

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