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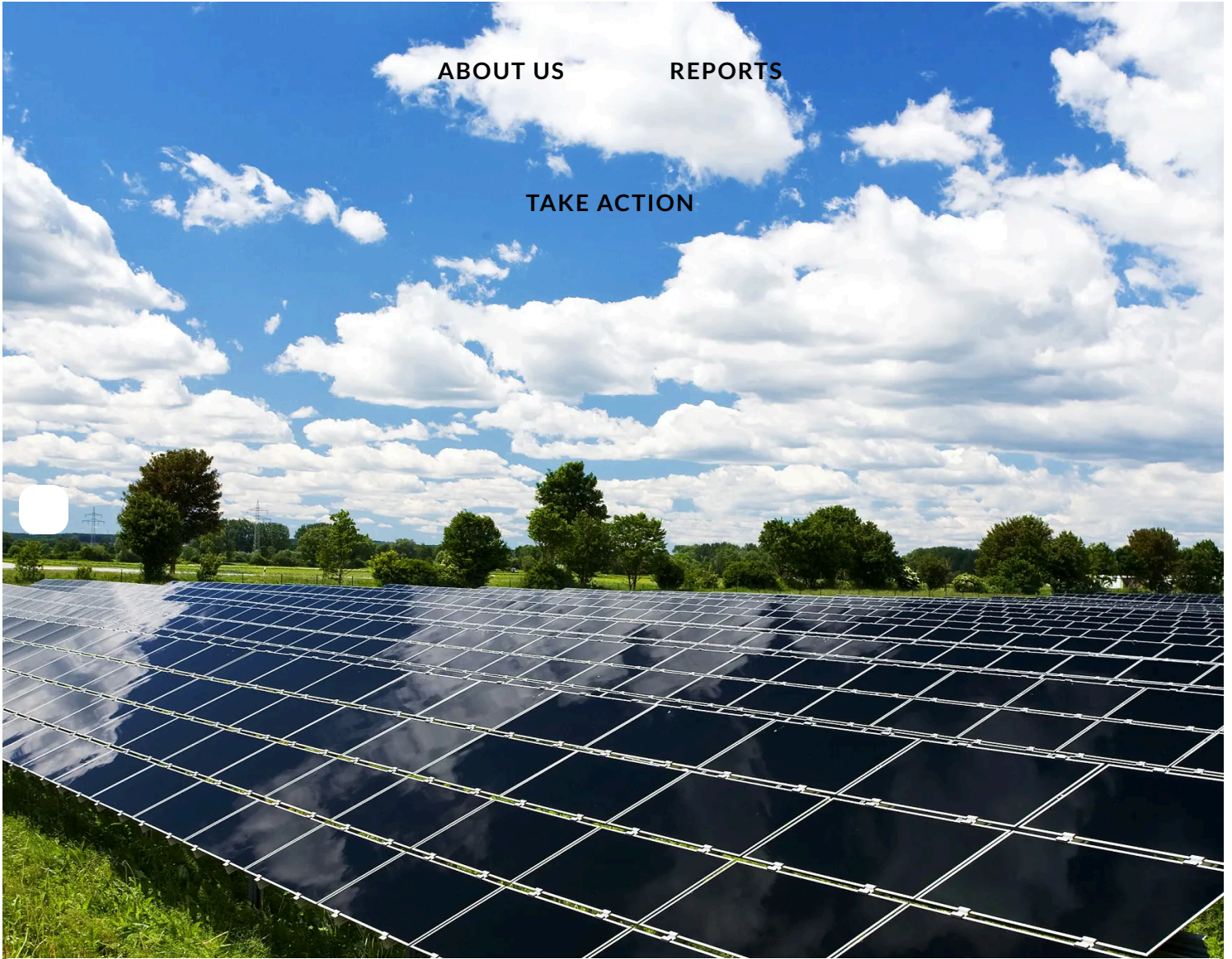


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# Five Reasons Renewable Energy Developers are Losing Confidence in Ontario

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In 2024, renewable energy developers had all the right reasons to be optimistic about the prospect of building solar and wind installations in Ontario:

Energy and Electrification Minister Stephen Lecce touted the upcoming power purchase as being “technology agnostic” with a focus on the “lowest cost resources”.

The last procurement under the former Minister of Energy revealed that gas is expensive: battery storage beat out gas on price by a wide margin.

Worldwide, renewable energy costs keep dropping – utility scale solar and wind significantly outcompetes both gas and nuclear energy on a **cost basis**.

Ontario’s politicians are boasting about the upcoming energy procurement as unprecedented in volume: a total procurement of 7,500MW in the next four years which is enough to power over 1.6 million homes.

So why are renewable energy developers hesitant about participating in the upcoming opportunity to submit proposals for new electricity generation for the Long-Term 2 (LT2) procurement?

Let’s examine the evidence:



trying to undermine the Greenbelt – it has slammed the door shut on ground-mounted solar in all agricultural lands including Ontario’s marginal farmland. While the previous solar program (the Feed-in-Tariff) excluded ground-mount solar from the best agricultural areas, the current power purchase is excluding solar projects on all farmland. Ontario’s less productive farmland is ideal for “agrivoltaics” projects that combine pasture or grazing land with ground-mount solar projects.

2. **Giving Ontario’s lowest tier municipalities inordinate responsibilities in approving renewable energy projects.**

While the previous Ontario government overrode municipalities with renewable project approvals (never a good idea), the current government is giving Ontario’s municipalities an inordinate amount of power to say “no” to renewable energy projects if there is local opposition to renewable energy projects. Energy developers are required to not only get Municipal Support Resolutions (MSRs) from local Councils but project proponents must also complete to the satisfaction of the host municipality an Agricultural Impact Assessments (AIA) if applicable, zoning and site plan approvals. All these activities may be challenging to lower-tier municipalities especially as typically higher tier municipalities throughout rural Ontario deliver planning functions.

3. **Delays by government Ministries are jeopardizing renewable energy business case development and potential investments.** The Ministry of Natural Resources

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temporary meteorological masts (towers for wind measurements) on Crown land. This is causing significant delays and risking that wind projects on Crown land will not have the data to bid in the upcoming power purchase.

4. **Proposing a ban on Chinese components from all future energy purchases in Ontario.** During the recent Ontario election, the governing party committed to ban “Chinese components from future procurements to keep our grid secure”. If this is actually put into effect, it will disproportionately impact solar developers interested in bidding in Ontario’s upcoming power purchase as Chinese content typically exceeds 80 per cent for solar panels.
5. **Stacking the deck in favour of natural gas developers.** Natural gas power plant developers are being offered an unquestionable advantage in the upcoming Request for Proposal (RFP) by giving full points to natural gas developers while not offering the same opportunity to battery storage proponents. And top points to facilities that can run for twelve hours continuously – something that only a gas plant can do. Despite repeated claims to the contrary, the current approach is neither technology agnostic nor does it reflect that Ontario’s peak demand is a maximum of six hours in any 24-hour cycle in both winter and summer.

What was presented as a new era in energy purchasing in 2024 by the Ontario government, technology agnostic and



utility bills but the planet and our communities will pay a price with an increasing reliance on a dirtier energy grid.

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