



Ontario

Team Italia

Presentation -

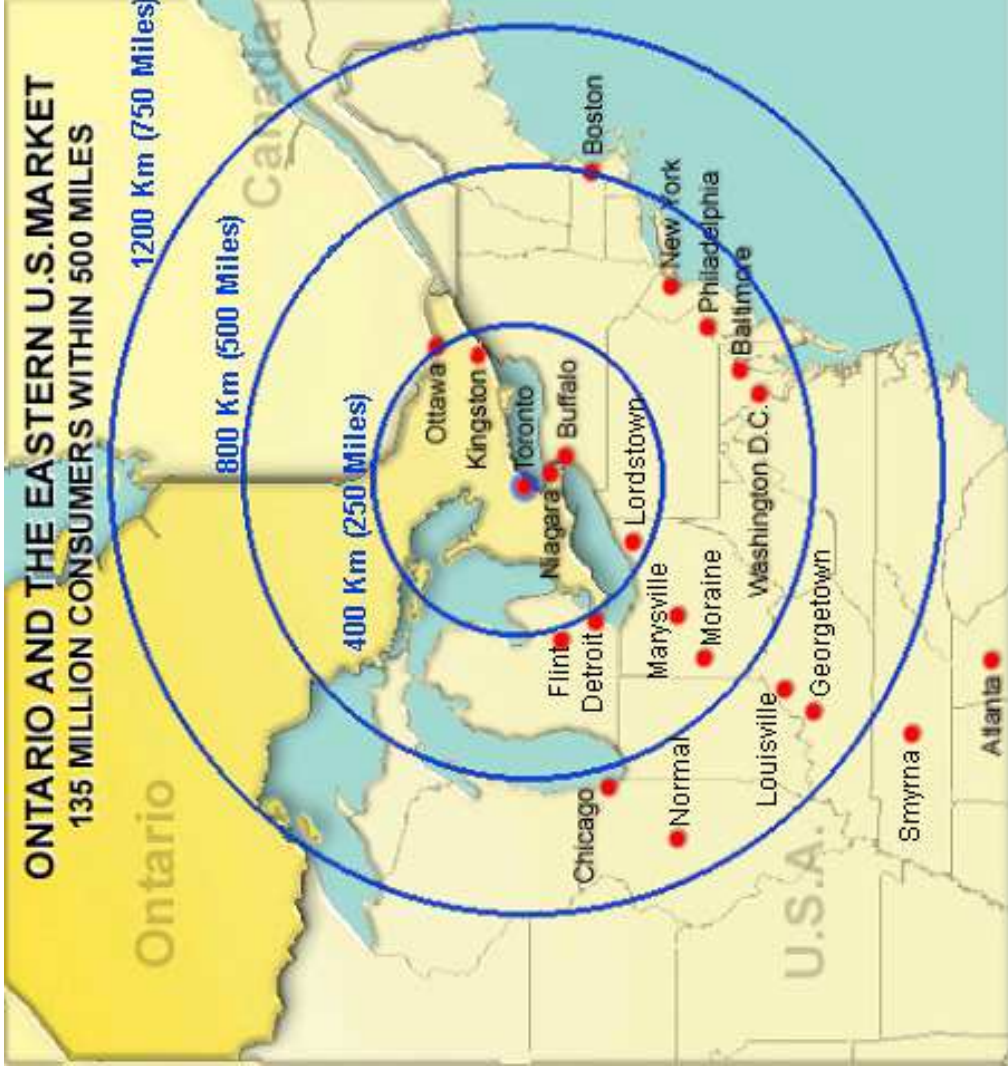
November 25, 2009

Ontario Ministry of Economic
Development & Trade



Ontario – its location within North America

Ontario is within a day's drive of more than 135 million Canadian and American consumers





Ontario: Canada's Economic Powerhouse

Percentage of Canada's

37% GDP

39% Population

39% Personal Income

44% Financial services employment

49% High-tech employment

46% Manufacturing shipments

36% Goods exports

Figures for 2008
Sources: Ministry of Finance, Industry Canada, Statistics Canada



Environmental Action - Ontario

Ontario is committed to substantially raise the proportion of renewable energy in the province's supply mix.

Ontario's goals for the adoption of alternative energy include the phase-out of coal-fired generation by the end of 2014.

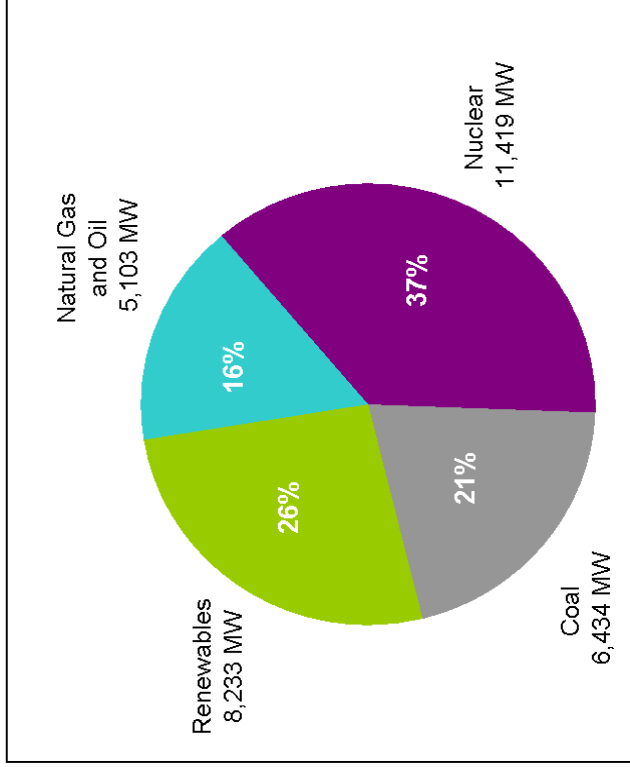
Since October 2003, the Ontario government has signed contracts representing about 3,000 megawatts (MW) of new renewable energy supply from large and small-scale projects across Ontario.

Over 1,200 MW of these projects have reached commercial operation. This represents \$2.7 billion of investment and over 2,900 direct and indirect jobs.

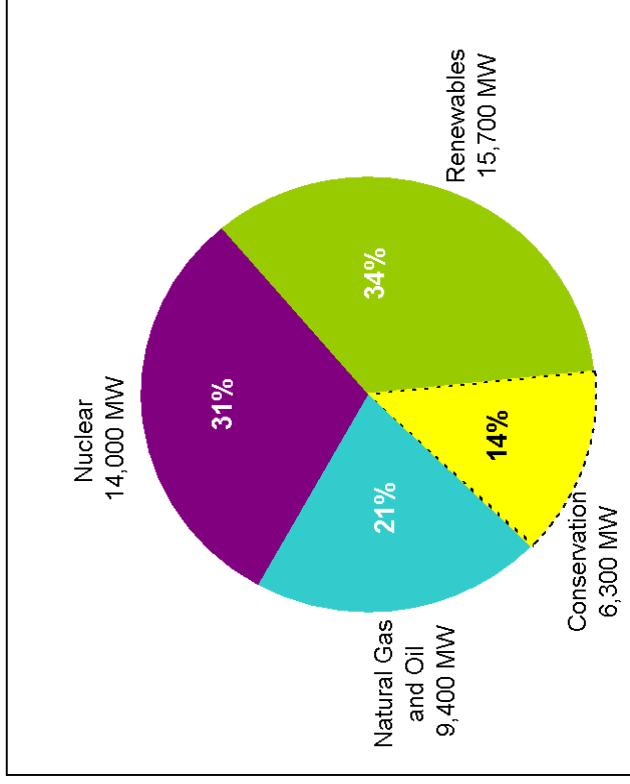


2006 and 2025 Supply Mix

2006 In-Service Capacity Mix



Target 2025 In-Service Capacity Mix



Sources:

2006 Supply Mix: IESO

2025 Supply Mix: Ministry of Energy Directive to the OPA



Energy Conservation and Alternative Energy in Ontario

- Energy conservation:
 - Conservation / demand management (CDM)
 - Geothermal / ground source heat pumps
 - Deep Lake Water Cooling
 - Solar thermal
- Clean energy:
 - Waste heat capture / cogeneration
 - Natural gas cogeneration
- Other alternative energy:
 - Energy from waste
- Renewable energy generation:
 - Hydroelectric
 - Wind
 - Solar photovoltaic
 - Biomass / biogas / bio-oil
 - Landfill gas
- Alternative fuels / energy storage:
 - Biofuels
 - Hydrogen / fuel cells
 - Batteries



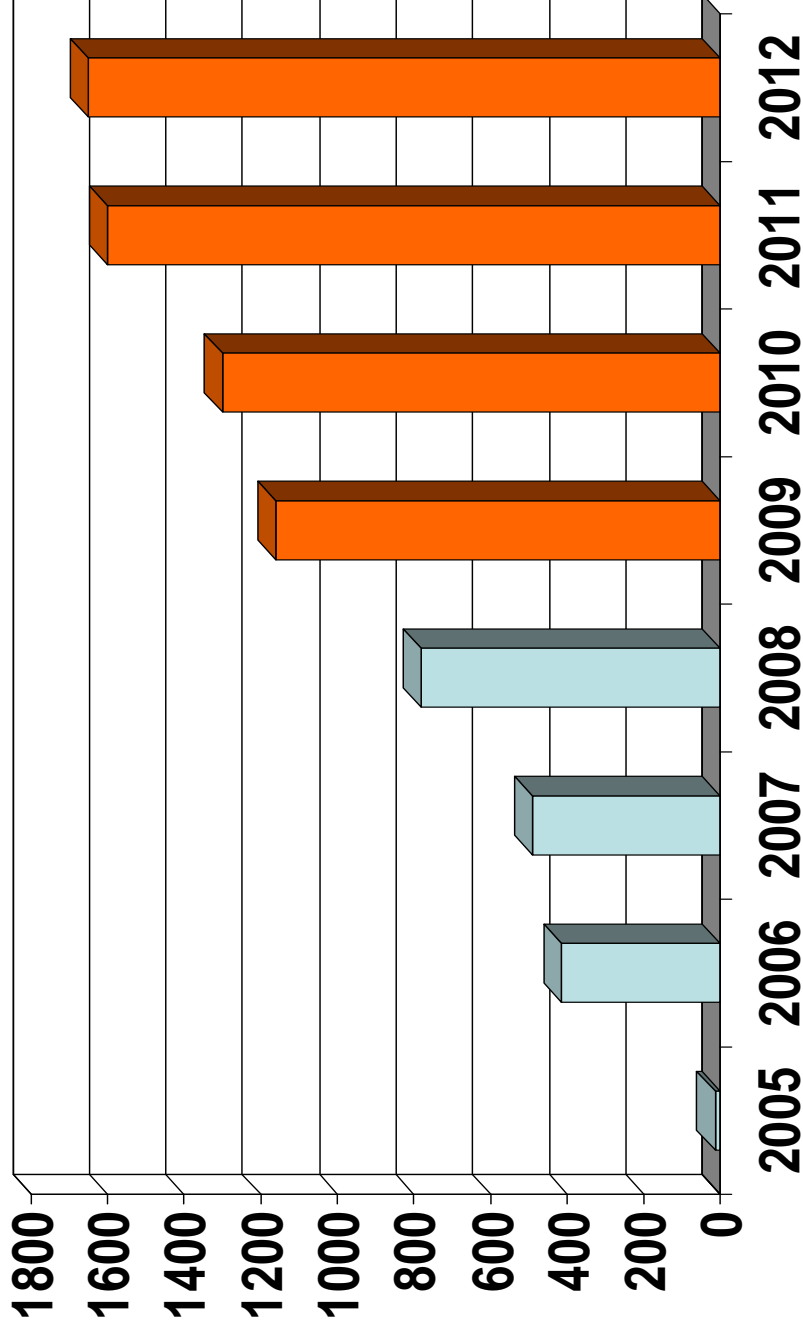
Wind Energy in Ontario

- In 2004 and 2005, RFP (competitive bidding) process resulted in 1,300 MW of new contracts – including 1,250 MW of wind.
- 492 MW of further wind energy RFP contracts were announced in early 2009.
- Renewable Energy Standard Offer Program
 - During 2007-08, 745 MW of wind power contracts were issued
 - Wind energy pricing at program launch in 2006 was CAD\$0.11/kWh, moving up to \$0.1108/kWh by 2008.
- New Feed in Tariff, part of new Green Energy Act – puts forward new wind energy prices:
 - onshore (CAD\$0.135/kWh), offshore (CAD\$0.19/kWh)



Wind Energy: Rapid Growth

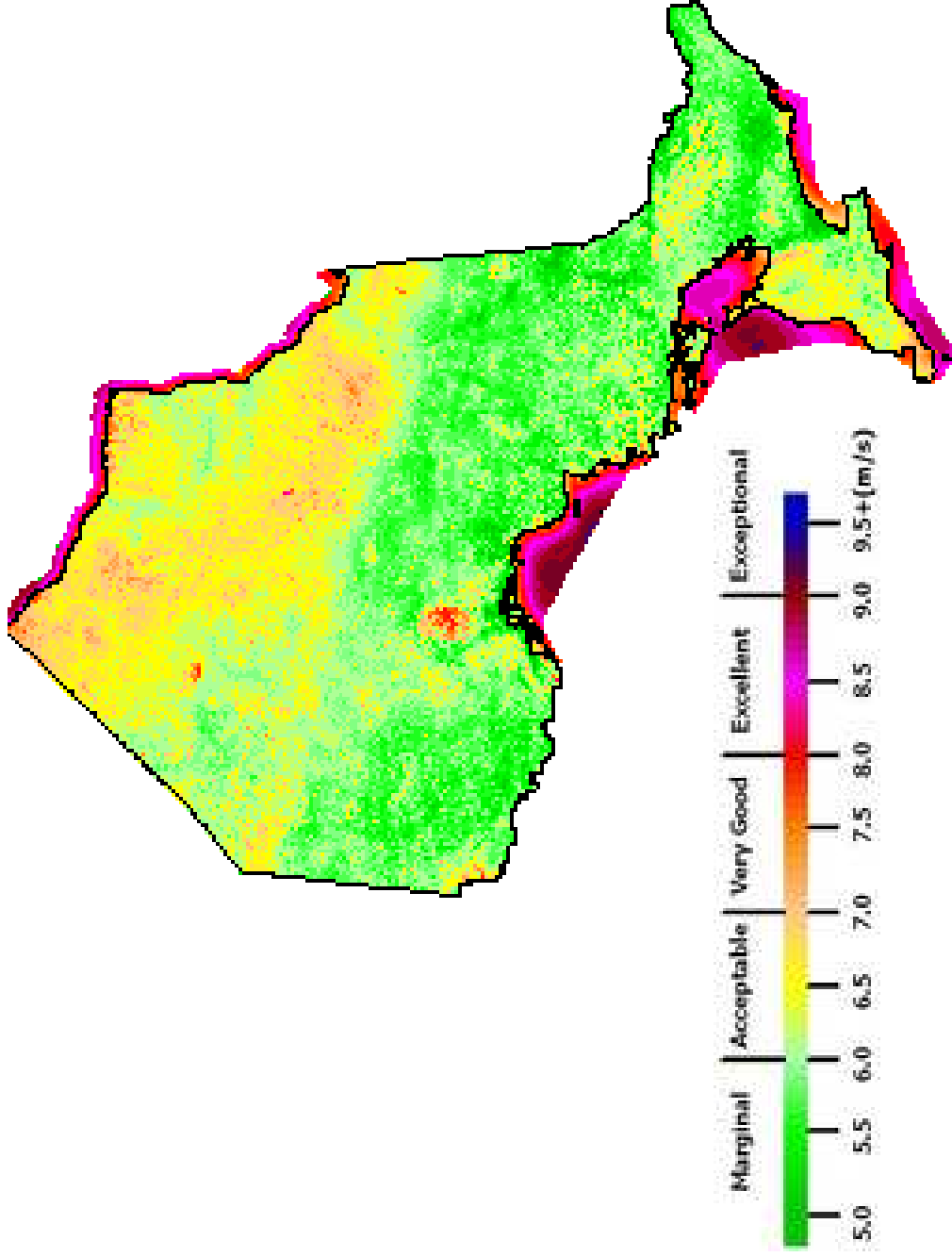
Ontario's Total Capacity, Installed & Contracted: 2005
– 2012



- Annual Average Growth in excess of 27% from 2006-2012



Ontario's Wind Resources



Source: Ontario Ministry of Natural Resources



Solar Photovoltaics

- Megawatt-scale solar photovoltaic ‘farms’ have been proposed in Ontario
- New rates for solar photovoltaic electricity are being proposed in draft Feed in Tariff, as part of Ontario’s new Green Energy Act

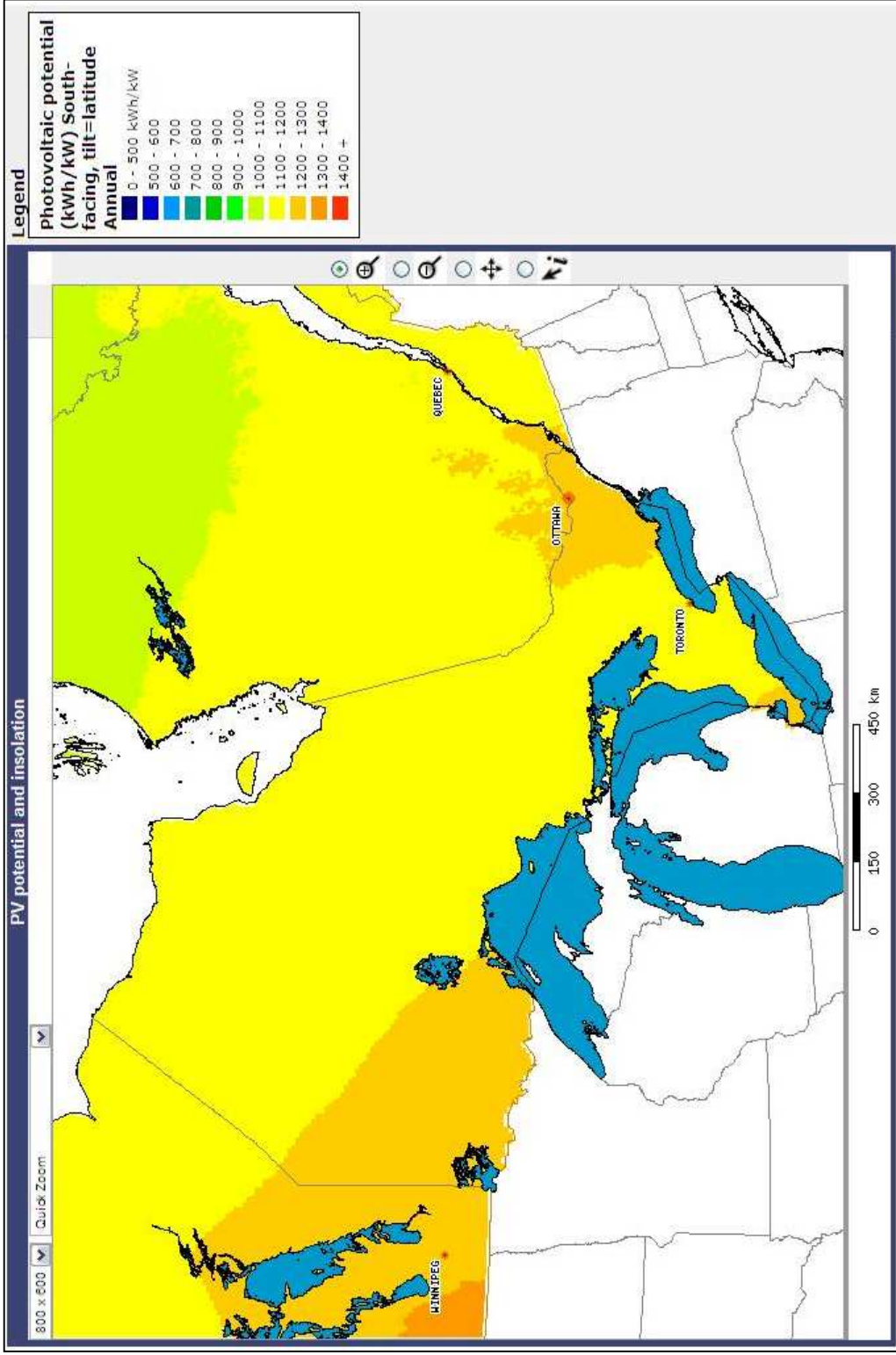
5 kW Installation



100 kW Installation



Ontario Photovoltaic Potential





Hydroelectric Energy



- Ontario's original source of electricity – currently 25% of power generation capacity
- Further hydroelectric development in northern Ontario is planned



Ontario Incentives for Renewable Energy - Electricity

- The government launched **Ontario's Renewable Energy Standard Offer Program** in 2006
- Ontario Power Authority purchased electricity generated from renewable energy sources up to a maximum project size of 10 megawatts
- The program resulted in more than 1400 megawatts of contracts, of which 1300 MW remain to be completed



Manufacturing / Innovation Programs

Southern Ontario Development Program

- “Fed Dev Ontario” is the federal government’s program to fund projects to stimulate local economies and enhance the growth and competitiveness of Southern Ontario businesses and communities.
- Applications for the first \$40 million in funding must be received by December 1, 2009, from eligible firms with up to 1000 employees, looking to expand, modernize, innovate, and/or improve competitiveness (no “start-ups”)
- Covers businesses located in southern Ontario (including Eastern & Central Ontario)
- Will fund up to 50% of eligible capital costs, and up to 75% of “non-capital” costs relevant to the project
- Priority to organizations where community population is 500,000 or less, as well as those less diversified than others; and to projects that can be completed by March 31, 2010.

Ontario Manufacturing / Innovation Programs

Advanced Manufacturing Investment Strategy (AMIS)


- 👉 \$500-million AMIS program provides repayable loans interest free, for up to five years, to support investments in technology and innovation
- 👉 Covers up to 30% of the eligible value of a project, such as equipment and necessary building modifications
- 👉 Investments of \$10 million or more, or 50 jobs created/retained





Tax Incentives - Canada

- Canadian / Federal tax incentives
 - Accelerated Capital Cost Allowance (CCA) for Investment in Efficient and Renewable Energy Generation
 - In 2005, depreciation rate increased from 30% to 50% for equipment purchased starting in 2005 through 2012
 - Extends to electrical generation systems from wind energy, photovoltaic (3 kilowatts or more), small-scale hydro (no more than 15 MW of average annual capacity), co-generation and specified-waste systems, enhanced combined cycle systems, geothermal, and some thermal energy systems.
 - Eligible expenses outlined as Class 43.1 and 43.2 of Schedule II to the *Income Tax Act* (Canada)



Ministry of Economic Development & Trade (MEDT) Contact Information

A dedicated MEDT team

- Adrian Bradford, Senior Business Consultant, 416-326-2488
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MEDT Investment Information

- ✓ Investment website: www.InvestInOntario.com
- ✓ Access to information on Ontario's business climate and investment potential
- ✓ Directory of Ontario Energy Researchers
- ✓ Community economic profiles



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Appendix Slides