

# THE POWER OF Community

How community-owned renewable  
energy can help Ontario create a  
powerful economic advantage



## Executive Summary





TREC is Canada's leader in the development of community-owned renewable energy. We support co-ops, Indigenous communities and social enterprises with our Community Member & Investment Services, and inform policy through our research and advocacy efforts.

We envision a world where people work together, pooling their resources, to realize and benefit from a democratic, 100% renewable energy economy.

**Visit [trec.on.ca](http://trec.on.ca) for more information.**

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**TREC is a member of the Federation of Community Power Co-operatives, representing Ontario's Community Power sector. Members include:**

AGRIS Solar Co-operative

AMBER Energy Co-operative

The Beach Community  
Energy Co-operative

Braeside Solar Energy Co-op

Community Energy  
Development Co-operative

Community Power  
Northumberland Co-operative

GECCO — Green Energy  
Co-operative of Ontario

Green Energy Nexus 2 Co-operative

Green Life Co-operative

Green Timiskaming  
Development Co-operative

LIFE — Local Initiative for Future  
Energy Co-operative

OREC — Ottawa Renewable  
Energy Co-op

Queen Street Solar Co-operative

RECC Hamilton Co-operative

Simcoe County Community  
Energy Co-operative

SolarShare Co-operative



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Facing a growing climate crisis, the world has rapidly embraced renewable energy and sources like wind and solar are now providing most of the new electricity generation capacity worldwide. Solar power alone provided more new electricity generation capacity in the United States than natural gas in 2015.

But when it comes to maximizing the economic benefits and public support for clean energy sources like wind and solar, **community participation and ownership matters**. Studies conducted internationally consistently report multiple positive impacts of community-owned renewable energy projects in comparison to commercially developed projects, including higher job creation, stronger economic impacts and better social license to develop projects.

A U.S. think-tank study found that local ownership increased the economic benefits of renewable energy projects by 50-240% by keeping money and jobs in local communities. The British government said community projects will result in 12-13 times as much community value reinvested back into local areas as would be achieved through 100% commercial models, before factoring in wider social and environ-

mental returns. And in Germany it was found that local ownership can dramatically increase support for often controversial wind energy — resulting in a 77% shift toward the positive in public support for wind energy projects.

These findings hold true in Ontario too. In recent polling done for the Federation of Community Power Co-ops (FCPC) by Ekos Research, 53% of respondents said that community ownership would make them more likely to support a wind energy project and 66% said it would make them more likely to support a solar project.

Overall, **78% thought it was important for Ontario to increase community ownership of renewable energy projects**.





Thanks to the *Green Energy and Green Economy Act* with its Feed-in Tariff program and specific encouragement for community participation, Ontario boasts a growing community power sector engaging a broad range of participants. This diverse group, which includes community co-ops, First Nations, local municipalities, non-profit housing agencies, school boards, public utilities and religious organizations, is poised to play a central role in the province's green energy transition provided the same effective policy mechanisms are maintained.

Today, after five years, Ontario has just over 1,000 MW of renewable energy generation that includes some portion of community ownership and participation. It's a respectable start but lags far behind Germany, where over 25,000 MW — nearly half of all renewable energy capacity — is community owned after 20 years of development. The potential for community power in Ontario is still largely untapped: a 50% community power target is not only doable, but can also deliver many additional complimentary environmental, economic and social benefits.

Community-owned power is an important entry point for communal and individual action on climate change: as communities come together around renewable energy, they also think more deeply about other ways to address their climate impact. And as they develop collective capacity and expertise through the co-operative development process, they feel able to take on additional challenges, like developing community energy plans or driving their communities to go 100% renewable. These aspirations and capacity building opportunities will be critically important to the success of actions set out in the Ontario's new Climate Plan. Similarly, because most community-owned power projects are embedded in local power grids, they increase the resiliency of these systems while reducing power

transmission costs, and better position communities to ride out increasingly severe weather events.

Solar energy is, of course, technically well suited to meeting the demand for power that peaks on hot sunny days when air conditioners are running full out, thereby avoiding polluting emissions on some of the province's worst air quality days while helping control peak power costs.

And as polling has shown, community-ownership of renewable energy projects increases support for the urgent and necessary transition to green energy.

Equally important, community-ownership amplifies the economic benefits of renewable energy investments. Economic modelling done for TREC shows that every dollar invested in a typical community solar project in Ontario drove an additional \$1.45 in economic activity. When the full range of economic impacts are included, such as wages paid by suppliers and returns spent in the community by investors, **every dollar of the FIT rate spent on community energy results in more than \$2 in additional economic activity.**

Additionally, research shows that when capital came from local investors and local firms were used to develop the project, **the economic impact on the local economy increased by 47%** compared to a project without these local components.

Despite its relatively modest size, the **community power sector will drive an estimated \$5.2 billion of additional economic activity** over the life of its current FIT contracts.

Community power is also a growing source of jobs. The Institute for Local Self Reliance has found that community-owned renewable energy projects generally create twice as many jobs as corporately owned projects.

Many Ontarians are already voting with their wallets to support community energy. The 24 member co-ops of the Federation of Community Power Co-ops (FCPC) have raised more than \$84 million from members. These funds have been invested in hundreds of local projects all around the province. Continuing to build the community power sector is one of the most effective ways for Ontario to address climate change, strengthen local economies, create new economic opportunities, finance climate action and support the work of important local institutions, such as schools, hospitals and housing providers.

In fact, with Ontario's new Climate Plan and commitment to increasing use of renewable energy by public institutions and in public buildings, there is a tremendous opportunity to build partnerships between experienced community groups and public bodies to ensure we maximize the benefits of going green.

Keeping renewable power local is a great way to build the economy and make all Ontarians part of the solution to climate change. To continue to ramp up the power of community, Ontario needs to:

**Maintain the FIT program for qualified community organizations**

**Raise the capacity cap for FIT projects to 1 MW to help increase economies of scale**

**Introduce a FIT for community wind to allow community groups to lead projects**

**Provide provincial loan guarantees for co-op and other non-profit projects, an extremely low-cost way to support green energy development**

**Help to export our community expertise to other provinces just getting started with the transition to green energy**





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