

COMMUNITY POWER

INTRODUCTION TO COMMUNITY VIRTUAL NET METERING

After the success of Ontario's Feed-in-Tari (FIT) program over the past few years, it has become apparent that the subsidized program is transitioning towards a more market-based solution.

Traditional net metering has been one alternative in creating a sustainable renewable energy model, but this type of program has economic constraints and limitations in scale.

Many people who wish to participate in the green energy economy are not able to do so as they do not have access to a suitable property for solar or cannot afford the up-front cost.

Spark Power is developing a Community Net Metering Program as a sustainable platform for an affordable and scalable renewable energy model in partnership with utilities.

WHAT IS VIRTUAL NET METERING?

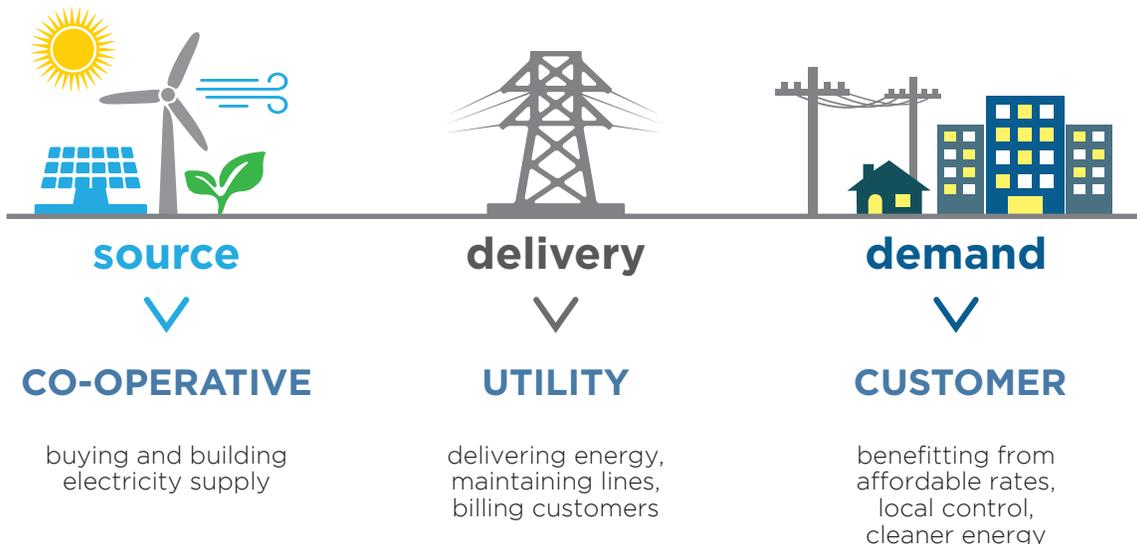
Virtual net metering allows multiple homeowners or businesses to participate in the same net metered system and share the output from a single facility that is not physically connected to their property (or their meter).

Under this program, an individual could join a community co-operative that would build a single solar facility to supply each member with a portion of their total electricity needs.

The co-operative is partnered with the local utility to ensure the monthly energy (kWh) produced by the project is netted off of the participants' electricity bill proportionally based on their level of ownership in the project.

This will allow the members to take advantage of the 'peaking' nature of the 'time-of-use' period, which will significantly reduce their electricity bills.

HOW COMMUNITY NET METERING WORKS





BENEFITS OF VIRTUAL NET METERING

There are significant benefits of virtual net metering to residential and small business participants, utilities and the province as a whole, including:

BENEFITS TO THE UTILITIES:

- ✔ Enables new business models for utilities which helps to increase their competitiveness through programs that provide economic and social value.
- ✔ Leverages the utilities investment in the distribution grid and provides significant incentives to customers to maintain their relationship with their local utility.

BENEFITS TO THE PARTICIPANT:

- ✔ Enables participation from those that would be unable to participate in a traditional net metered system, such as condo-owners, tenants and others with unsuitable properties for solar.
- ✔ Provides customers with a flexible and affordable option to own

and use renewable energy while protecting a portion of their energy usage against rising electricity prices.

- ✔ Through economies of scale, a single commercial-scale solar project is more cost effective per kWh compared to an individually-sized solar project, which minimizes the cost of solar and any incentive requirements, while maximizing participation from residential and small business sectors.

BENEFITS TO THE PROVINCE:

- ✔ Aligns with the Government of Ontario's priorities of putting conservation first, as owners of the net metered system are incentivized to reduce the electricity consumption of individual household participants in order to maximize the investment.
- ✔ Aligns with the Government of Ontario's climate change reduction goals by enabling the development of Net-Zero Energy communities, as it is difficult for a multi-residential building and some existing structures to meet their own energy needs on site.

SPARK POWER'S COMMUNITY NET METERING PROGRAM OBJECTIVES

- ✔ The Ministry of Energy is currently amending the Net Metering Regulation.
- ✔ Spark Power has been working with key stakeholders to recommend the inclusion of virtual net metering to the new regulation to maximize the benefits of distributed solar and enable broader-scale uptake within communities.
- ✔ Iterations of the new regulations are anticipated to be released in 2018.

- ✔ Spark Power is working on launching a Community Net Metering Pilot Project with its partners.
- ✔ Given that the new net metering regulation is anticipated for 2018, Spark Power believes that this is an ideal time for a pilot project, as it will enable any lessons learned to be discovered prior to the launch of the new regulation.

ABOUT SPARK POWER CORP.

Spark Power Corp. delivers technical innovation, asset management, project development, maintenance, service and operational support to the renewable energy sector and industrial, commercial, institutional ("ICI") and utility markets. Headquartered in Oakville, Ontario, with branches in Barrie, Belleville, Blenheim, Brampton, Cambridge, Chatham, Hamilton, Markham, Mississauga, New Liskeard, Perth, Peterborough, Tillsonburg, Stoney Creek, Vaughan and Whitby, the company has over 400 employees and 4,500 customers across Ontario. For more information, please visit us at www.sparkpower.ca.



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