



Is FIT Ripping off Taxpayers?

We often get asked "is FIT ripping off taxpayers?". In a simple word...no.

It's a fair question to ask though, because it can appear that the program may be. After all, those with a FIT contract get paid nearly 10 times the 6¢ to 10¢ per kWh most Ontario consumers pay for electricity. So, it's easy to understand why skeptics may think that taxpayers are being ripped off by the government.

But understanding how the program works means understanding it in conjunction with the Green Energy and Economy Act under which it was created.

The Act was designed to expand renewable energy generation, encourage energy conservation and promote the creation of clean energy jobs. FIT was launched in 2009 to encourage the development of renewable energy technology, attract investment and create new clean energy jobs in Ontario. It's because of the program that Ontario is meeting its goals for improving air quality and phasing out coal-fired generation by the end of 2014.

Consider this:

- Ontario's air is now cleaner than it was five years ago.
- More than 20,000 jobs have been created as a result of the Green Energy Act.
- More than 30 international firms have so far invested in Ontario by developing manufacturing and assembly plants.

It's also important to know that since FIT is designed for large-scale projects (larger than 10kW), the developers bear most of the cost of the infrastructure upgrades for their systems to be connected to the grid. Yes, that means that although FIT is paying developers for the power they produce and feed back to the grid - these developers are the ones paying to upgrade our aging grid.

In other words, FIT (and microFIT) encourages investors to pour their own money into upgrading Ontario's electrical infrastructure rather than money only coming from government coffers through increased taxes and/or electricity prices. And the best thing about both programs is that anyone in Ontario can participate.
