



To: Mayor and Council

From: Amy Cann, Director of Planning & Building

Meeting Date: October 30, 2023

Subject: Report PB-082-2023 - Battery Energy Storage Systems & IESO Long-term RFP

Recommendation

Be It Resolved that Council of the Township of Clearview hereby receive report PB-082-2023 (Battery Energy Storage Systems & IESO Long-term RFP) dated October 30, 2023; and,

Option 1

- 1) That Council direct staff to prepare a Blanket Municipal Support Resolution for the use of proponents engaging in the LT1 RFP for Battery Energy Storage Systems containing the condition:
 - a. This resolution's sole purpose is to enable the Proponent to receive Rated Criteria Points under LT1 RFP or to satisfy its obligations under any awarded LT1 Contract and may not be used for the purpose of any other form of approval in relation to the Proposal or Long-Term Reliability Project or for any other purpose. Rated Criteria points will be used to rank the Proponent's Proposal in relation to other Proposals received by the IESO under the LT1 RFP.
- 2) That the Mayor and Clerk be directed to sign the Blanket Municipal Support Resolution.

Or

Option 2

- 1) Whereas issuance of a Municipal Support Resolution prior to a decision being made on applicable Planning Act approvals may prejudice the Township in its decision on such Planning Act matters; and;

Whereas the Township does not wish to contribute to any losses the proponent or landowner may experience, whether real or perceived, in advancing a project where Planning Act and other subsequent approvals are not guaranteed; now therefore:

That Council declines issuance of a Municipal Support Resolution for the LT1 RFP where 'bulk storage' is not permitted on the subject lands in accordance with the Township Zoning By-law 05-54, as amended.

Background

The Independent Electricity System Operator (IESO) works to ensure there is sufficient power available to service Ontario's electricity grid now and in the long-term and is responsible to ensure the reliability of the system. The IESO has recently released a request for proposals (RFP) for its long-term procurement strategy for 2,518 MW of year-round effective capacity from dispatchable new build resources. According to the [IESO](#) the RFP is driven by increasing demand, the retirement of the Pickering nuclear plant, the refurbishment of other nuclear generating units, as well as expiring contracts for existing facilities. The LT1 RFP proposal submission deadline is December 12, 2023.

As a result of the upcoming deadline, the Township has been approached by several battery energy storage system (BESS) providers interested in establishing storage facilities within the Township. These proponents are seeking a Municipal Support Resolution (MSR) from the Township for the purposes of participating in the LT1 RFP process. Where a proponent is successful in obtaining an MSR from its host municipality, the associated project will accrue 'points' in the LT1 RFP process. Based on conversations with proponents, it is understood that projects that gain points from issuance of an MSR have much greater likelihood of being constructed.

BESS facilities are required to be located on a site with direct access to the existing hydro transmission line. The storage systems are understood to be a collection of modular containers set upon the ground with the battery stored inside. A BESS stores power or charges during off-peak (e.g., nighttime) hours and releases it when demand increases. The land area dedicated to a system and the number of containers needed depends on the intended capacity of the project.

Though it contributes to the integrity of Ontario's energy system, a BESS is a private undertaking and is not considered a public use under the provisions of the Township's Zoning By-law (06-54, as amended). A BESS is considered a 'bulk storage operation/establishment' as defined in the Zoning By-law and is limited to locating on lands within the 'General Industrial' (MG) zone category. In order to locate on lands other than those within the MG zone, BESS facilities would require a minimum of a Zoning By-law Amendment and possibly other Planning Act applications (e.g., Official Plan Amendment, Consent for land lease beyond 21 years).

The purpose of the report is to provide information on the LT1 RFP and to seek Council's direction on issuing MCRs for projects on lands outside of the MG zone category in advance of decisions being made on required Planning Act approvals.

Comments and Analysis

It is understood that proponents are required to de-risk a project as much as possible prior to the December 12th submission deadline. The de-risking process includes

consultation with the host municipality and community; identifying lands appropriate for the BESS with a willing landowner; securing the project, etc. It is understood that a significant amount of monetary security is subject to forfeiture if a project is not successful in the RFP process and awarded a contract.

Proponents are keen to obtain their MCRs prior to the December 12th deadline. As noted, a project with an MCR is more likely to be constructed. The standard wording for an MCR is included in Appendix B, and cannot be amended by the host municipality with amendments, conditions or criteria. A host municipality also has the option to issue a Blanket Municipal Support Resolution (not applicable to a specific proponent or project), which must:

State that the Local Municipality supports the development, construction and operation of the Long-Term Reliability Project on the applicable Municipal Lands. The statement in such resolution may be qualified as being solely for the purposes of enabling the Proponent to receive Rated Criteria Points under the LT1 RFP or to satisfy its obligations under any contract awarded under the LT1 RFP, and does not supersede any applicable permits or approvals under applicable Laws and Regulations that may be required for a particular Long-Term Reliability Project.

Based on conversations with proponents, there are at least two (2) projects proposed on lands outside of settlement areas on lands within the 'Agricultural' (AG) zone. Placement of a BESS facility would take some extent of lands out of production, which is not consistent with Provincial direction. Without submission of a Planning Act application with relevant supporting documentation (e.g., agricultural impact assessment, employment land needs assessment, archaeological assessment, natural heritage impact assessment) the Township cannot attest to the appropriateness of this change. Additionally, in the absence of public consultation lead by the Township the public interest for such projects is difficult to gauge.

Conversely, it is recognized that the Province calls for Planning Authorities to contribute to the development of the Province's energy supply. Contribution to the development of an energy system that is renewable and considers our changing climate is a matter of Provincial interest.

Ideally, proponents of the BESS facilities would have had time enough to allow for consideration of zoning matters prior to the December 12th deadline. It does not appear as though this was part of the timeline for the RFP process. Given this and the mutually present matters of provincial interest, Staff recommend that Council decline endorsement of site-specific BESS projects on lands other than those in the MG zone category. For the reasons outlined within this report, it is further recommended that Council balance the matters of provincial interest by selecting one of the following options:

- 1) Issue a Blanket Municipal Support Resolution for the use of proponents engaging in the LT1 RFP for Battery Energy Storage Systems that is not site- or project-specific. A Blanket MSR would allow proponents to move forward in the RFP process at their own risk. In theory, a Blanket MSR would not prejudice Council in its future decisions on Planning Act matters. A Blanket MSR would contain the condition:
 - This resolution's sole purpose is to enable the Proponent to receive Rated Criteria Points under LT1 RFP or to satisfy its obligations under any awarded LT1 Contract and may not be used for the purpose of any other form of approval in relation to the Proposal or Long-Term Reliability Project or for any other purpose. Rated Criteria points will be used to rank the Proponent's Proposal in relation to other Proposals received by the IESO under the LT1 RFP.

OR

- 2) That Council declines issuance of a Municipal Support Resolution for the LT1 RFP where 'bulk storage' is not permitted on the subject lands in accordance with the Township Zoning By-law 05-54, as amended. This decision would allow proponents to move forward in the RFP process, with lower risk.

Financial Implications

None to the Township.

Clearview's Strategic Plan

The above initiative supports the following strategic pillars:

- Governance

Report Appendices

Appendix A: Generic photo of large battery energy storage system

Appendix B: Evidence of Municipal Support Resolution (Template)

Approvals

Submitted by: Amy Cann, M. PL., MCIP, RPP

Financial Implications Reviewed by: Treasurer

Approved by: CAO

APPENDIX A:



Source: [Energy Storage News](#)

This page sets out the instructions for completing the Prescribed Form – Evidence of Municipal Support.

All capitalized terms used in these instructions and the Prescribed Form – Evidence of Municipal Support, unless otherwise stated, have the meanings ascribed to them in the LT1 RFP.

INSTRUCTIONS APPLICABLE TO ALL PRESCRIBED FORMS:

- a. The first page of a Prescribed Form should be marked with the name of the Long-Term Reliability Project that is the subject of the Proposal. The Proponent should use the name given to the Long-Term Reliability Project in the Prescribed Form – Proponent Information, Declarations and Workbook.
- b. This instruction page is not required to be submitted as part of the completed Prescribed Form.
- c. The Prescribed Form is required to be submitted electronically via email to the IESO at LT.RFP@ieso.ca.
- d. Information provided in each Prescribed Form should be consistent with the information provided in the Proposal.
- e. Where the Prescribed Form has multiple pages, the pages of the Prescribed Form should be kept together in the Proposal in sequential order.
- f. Where a blank field for a section/page reference is provided in a Prescribed Form, enter the section/page reference of the Proposal where the substantiating evidence for that particular item can be found.
- g. Apart from the completion of any blanks, drop down lists, check boxes or similar uncompleted information in a Prescribed Form, no amendments may be made to the wording of a Prescribed Form.
- h. Each Prescribed Form must be completed in its entirety. Fields marked <if applicable> must be completed if applicable to the Proposal. If not applicable, they should be marked " Not Applicable".
- i. If a signature is required for a Prescribed Form, the Prescribed Form must be signed by a person with authority to bind the Proponent. The Prescribed Form may be printed, signed and scanned, or may be signed digitally through Adobe (Digital ID, or Fill and Sign), Apple Preview or DocuSign.
- j. With the exception of this instruction page, instructions within a Prescribed Form will be enclosed in brackets.

INSTRUCTIONS SPECIFIC TO THIS PRESCRIBED FORM:

- k. To be awarded Rated Criteria points pursuant to Section 4.3(c) of the LT1 RFP, a Proponent is to complete and submit in the Proposal a) the main body of this Prescribed Form and b) the applicable evidence of Municipal Support Confirmation, as indicated in Section 2, from each Local Municipality with authority over the Municipal Lands.
- l. Where the Municipal Support Confirmation is in the form of a Municipal Support Resolution, the Municipal Support Resolution must be dated no earlier than February 17, 2023.
- m. The Municipal Support Confirmation must be provided in Exhibit B.
- n. Councils of Local Municipalities have the option of using the form of Municipal Support Resolution provided in Exhibit A, should they so choose. A Blanket Municipal Support Resolution is an acceptable alternative to a Municipal Support Resolution.

GUIDANCE FOR MUNICIPALITIES:

The IESO is undertaking the LT1 RFP to competitively procure year-round capacity from dispatchable New Build and Eligible Expansion resources, including New Build and Eligible Expansion facilities incorporating Electricity generation and storage that (i) are registered or able to become registered in the IESO Administered Markets; (ii) larger than one (1) MW; and (iii) can deliver a continuous amount of Electricity to a connection point on a Distribution System or Transmission System during the Qualifying Hours for:

- (i) at least four (4) consecutive hours in the case of Electricity Storage Facilities; or
- (ii) at least eight (8) consecutive hours in the case of Non-Electricity Storage Facilities.

The LT1 RFP provides Proponents with the opportunity to obtain Rated Criteria Points, which will be used to more favourably position their Proposal in the LT1 RFP evaluation process. Four (4) Rated Criteria points are available for evidence of having obtained support from each Local Municipality in whose jurisdiction(s) the Long-Term Reliability Project is proposed to be located.

Should a Local Municipality wish to support a particular Long-Term Reliability Project, a group of Long-Term Reliability Projects, or one or more particular technology types, they must either pass a Municipal Support Resolution (project-specific) or a Blanket Municipal Support Resolution.

Local Municipalities are encouraged to use the template Municipal Support Resolution in Exhibit A. Should a Local Municipality wish to develop its own resolution, the resolution must:

- (A) identify:
 - (i) the Proponent;
 - (ii) the name, technology and Maximum Contract Capacity of the Long-Term Reliability Project; and

- (iii) the Municipal Lands that are subject to the authority of the Local Municipality; and
- (B) state that the Local Municipality supports the development, construction and operation of the Long-Term Reliability Project on the applicable Municipal Lands. The statement in such resolution may be qualified as being solely for the purposes of enabling the Proponent to receive Rated Criteria Points under the LT1 RFP or to satisfy its obligations under any contract awarded under the LT1 RFP, and does not supersede any applicable permits or approvals under applicable Laws and Regulations that may be required for a particular Long-Term Reliability Project.

Pursuant to the LT1 RFP, Proposals that did not receive the formal support of the local jurisdictional authorities of all the project communities in which the Long-Term Reliability Project is located in the form of a support resolution may be required under the LT1 Contract to be awarded pursuant to the LT1 RFP to submit such support resolution for compliance with its obligations.

Though the Municipal Support Confirmation may impact the rank of the Proponent's Proposal in relation to other Proposals received by the IESO, it does not guarantee a contract will be offered to the Proponent under the LT1 RFP.

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Capitalized terms not defined herein have the meanings ascribed to them in the LT1 RFP.

Section 1 – Information of the Proponent and the Long-Term Reliability Project

a.	Unique Project ID of the Long-Term Reliability Project: <i>< Enter Unique Project ID ></i>	
b.	Name of the Long-Term Reliability Project: <i>< Enter name of the Long-Term Reliability Project ></i>	
c.	Legal name of the Proponent: <i>< Enter legal name of the Proponent ></i>	
d.	Property Identification Number (PIN), or if PIN is not available, municipal address or legal description of Properties included in the Municipal Lands <i>< insert PIN(s) (if a PIN is not available, use Municipal Address or legal description) or Grid Cell(s), if applicable ></i>	
e.	List of all Local Municipalities with authority over the Municipal Lands: <i>< insert name of the Local Municipality ></i>	Local Municipality 1: Local Municipality 2 (if applicable):

Section 2 – Municipal Support Confirmation

a.	The form of Municipal Support Confirmation used for Local Municipality 1 named above in Section 1(e), attached in Exhibit B, is:	A Municipal Support Resolution dated no earlier than February 17, 2023
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		<p>OR</p> <p>A Blanket Municipal Support Resolution</p>
b.	<p>The form of Municipal Support Confirmation used for Local Municipality 2 (if applicable) named above in Section 1(e), attached in Exhibit B, is:</p>	<p>A Municipal Support Resolution dated no earlier than February 17, 2023</p> <p>OR</p> <p>A Blanket Municipal Support Resolution</p>

I hereby confirm that I am an individual with the authority to bind the Proponent and that, if applicable, by signing this form using electronic signature, I agree to the content, terms and conditions set out in the document on behalf of the Proponent.

PROPONENT NAME: _____

Per: _____

Print Name:

Print Title:
(I have authority to bind the Proponent)

Date Signed:

**EXHIBIT A
FORM OF MUNICIPAL SUPPORT RESOLUTION**

Resolution NO: _____ Date: _____

[Note: The Municipal Support Resolution must not be dated earlier than February 17, 2023.]

WHEREAS:

1. The Proponent is proposing to construct and operate a Long-Term Reliability Project, as defined and with the characteristics outlined in the table below, under the Long-Term Request for Proposals ("**LT1 RFP**") issued by the Independent Electricity System Operator ("**IESO**").

Unique Project ID of the Long-Term Reliability Project:	
Name of the Long-Term Reliability Project:	
Legal Name of Proponent:	
Technology of the Long-Term Reliability Project:	
Maximum Contract Capacity of the Long-Term Reliability Project (in MW):	
Property Identification Number (PIN), or if PIN is not available, municipal address or legal description of the portion of the Project Site that is located on lands subject to the authority of one or more Municipalities:	

2. Pursuant to the LT1 RFP, Proposals that receive the formal support of the local jurisdictional authorities of all the project communities in which the Long-Term Reliability Project is located in the form of a support resolution will be awarded Rated Criteria points for the purpose of ranking the Proposal in relation to other Proposals for a contract under the LT1 RFP; and

NOW THEREFORE BE IT RESOLVED THAT:

3. The council of <insert name of Municipality> supports the development, construction and operation of the Long-Term Reliability Project on the Municipal Lands.
4. This resolution's sole purpose is to enable the Proponent to receive Rated Criteria Points under LT1 RFP or to satisfy its obligations under any awarded LT1 Contract and may not be used for the purpose of any other form of approval in relation to the Proposal or Long-Term Reliability Project or for any other purpose. Rated Criteria points will be used to rank the Proponent's Proposal in relation to other Proposals received by the IESO under the LT1 RFP.

DULY RESOLVED BY THE LOCAL MUNICIPALITY

on the ___ day of _____, 20__

<Signature lines for elected representatives. At least one signature is required.>

EXHIBIT B
MUNICIPAL SUPPORT CONFIRMATION

Note: Attach the Municipal Support Confirmation.