
HALDIMAND COUNTY

Report EDT-05-2024 Independent Electricity System Operation Request for Proposal Long Term 2 – Municipal Support Resolutions



For Consideration by Council in Committee on December 10, 2024

OBJECTIVE:

To obtain a Council resolution to provide blanket support for future Independent Electricity System Operation (IESO) proposals that meet the Haldimand-specific criteria as set out in this report; to provide delegated authority to the Chief Administrative Officer to issue a Blanket Municipal Support Confirmation (BMSC) letter once the proposal has achieved the key milestones to the satisfaction of the municipality; and, to seek Council's direction on the repeal of the Moratorium of Wind Farms previously approved by Haldimand County Council in 2013.

RECOMMENDATIONS:

1. THAT Report EDT-05-2024 Independent Electricity System Operation Request for Proposal Long Term 2 – Municipal Support Resolutions be received;
2. AND THAT a Blanket Municipal Support resolution for the development, construction and operation of Long-Term Reliability Projects proposed to be located within Haldimand County for the purposes of the requirements of the IESO LT2 (Capacity and Energy) RFP be approved;
3. AND THAT authority be delegated to the Chief Administrative Officer to provide a Blanket Municipal Support Confirmation Letter for projects seeking a contract through the IESO LT2 RFP process demonstrating that the Proponent has successfully met all criteria;
4. AND THAT the Chief Administrative Officer and Chief Financial Officer be authorized to execute the necessary agreements associated with the approved criteria;
5. AND THAT the Community Benefit Contribution as outlined in this report apply to all future projects contemplated in Haldimand County under the LT2 RFP process;
6. AND THAT staff report back to Council outlining comprehensive principles and recommendations related to all community support contributions received;
7. AND THAT an amended User Fees and Service Charges By-law, that reflects the proposed changes in this report, be approved at a future Council meeting;
8. AND THAT the Moratorium on Wind Farms, approved in 2013, be repealed.

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Approved: Cathy Case, Chief Administrative Officer

EXECUTIVE SUMMARY:

In October 2024, the Independent Electricity System Operator (IESO) released an updated forecast showing that Ontario's electricity demand is anticipated to grow by 75% by 2050, greater than last year's anticipated forecast of 60%. In response to the increased demand, the IESO has established a strategy to secure a variety of new resources to address short, medium and long term needs in the province. To help address Ontario's future electricity needs, the IESO is preparing to launch the next request for proposal Long Term 2 (LT2 RFP) in a series of long-term procurements. The IESO is proposing four (4) intake windows for the LT2 RFP over a period of four (4) years beginning with the first submission due in the third quarter of 2025. Contracts are expected to be awarded in the first quarter of 2026 and commercial operation to begin in 2029/2030. Future submission windows are expected to follow a similar timeline.

The IESO continues to incorporate stakeholder feedback to improve the procurement process and as a result has made some important changes for the intake of the LT2 RFP which are outlined within the body of the report. The purpose of this report is to provide an update to the set of criteria that Council previously approved through the LT1 RFP process (October 2023 – focused on battery energy storage systems only) reflecting the changes being made by IESO for this intake. The most significant changes for the LT2 RFP include: i) mandatory engagement and support from the municipality/community that must be confirmed prior to the proponent's submission (a 'willing host'); ii) limitations on the use of prime agricultural lands (including requirements for agricultural impact assessments); and, iii) a focus on a broader range of energy production/storage (wind, solar, battery, etc.).

As per the previous LT1 RFP process, staff are recommending that the criteria must be met/agreed to by each proponent in order for the municipality to provide a municipal support confirmation letter. Proponents wishing to place a project(s) on property within Haldimand County will be required to sign an agreement that outlines a set list of criteria which are described later in this report but include: public safety, public consultation, visual aesthetics of the site, community benefit contributions and land use planning. Staff is seeking delegated authority for the Chief Administrative Officer (CAO) to provide a municipal support confirmation letter to current and future proponents of projects if all criteria—as proposed by staff in this report—are satisfied. While, the IESO has a prescribed form (Evidence of Municipal Support (EMS) included as Attachment 1), the IESO has indicated that municipalities can provide municipal support confirmation in the form of a Blanket Municipal Support Resolution (BMSR) together with a Blanket Municipal Support Confirmation Letter. Therefore, if Council supports the BMSR recommendation, staff is recommending that, through delegated authority to the CAO, the Municipal Support Confirmation Letter will be issued once the proponent has satisfied the community engagement requirements and will address the criteria that are set out in report EDT-05-2024.

The subject report does not address the recent announcement by the Ontario government wherein it has asked Ontario Power Generation (OPG) to begin discussions with Indigenous, community and municipal leaders on its existing sites in Port Hope, Haldimand County and St. Clair Township to determine community support for all types of new energy generation, including nuclear. That announcement and the process associated with it is outside of the LT2 RFP.

BACKGROUND:

Ontario is entering a period of growing needs, and by 2050, electricity demand is anticipated to grow by 75%. These needs are being driven by economic growth, population growth and increased electrification. This demand in growth is happening in the midst of expiring generator contracts, nuclear refurbishments and the elimination of emissions from the grid. To address emerging needs, a multi-pronged approach to meeting Ontario's growing electricity needs is being implemented, including new supply and transmission.

With the significant electricity system needs expected over the next decade, indigenous communities and municipalities play a key role in advancing, managing and shaping the ongoing energy transition, including:

- informing electricity planning to ensure a reliable and adequate supply;
- shaping the province's energy transition by ensuring the system is prepared for future needs;
- hosting new generation, transmission and storage resources: and
- working with project developers on the applicable approvals, and building partnerships, where applicable.

The IESO began competitively securing 3,500 MW of capacity through a Long-Term Request for Proposals (LT1 RFP) and Expedited Process (E-LT1 RFP). The E-LT1 RFP was completed in early 2023 and resulted in the Hagersville Battery Energy Storage Park (Boralex) being awarded 300 MW for a project in Haldimand County. The LT1 RFP was closed earlier in 2024 which awarded the Hedley BESS (Aypa Power Canada) a contract for 200 MW of capacity in Haldimand. Separate from the IESO procurement process, the Governments of Ontario and Canada are working together to build the 250 MW Oneida Energy Storage Project in partnership with the Six Nations of the Grand River Development Corporation. The next IESO procurement process is the Long-Term Request Two (2) RFP (LT2 RFP) anticipated to be released in early 2025 and is the focus of this report.

Projects submitted through the LT2 RFP are intended to meet the needs emerging as of 2030. These needs will be addressed through two streams:

1. Energy – resources able to inject energy at all times, and
2. Capacity – dispatchable resources that can be called on to inject energy at peak system conditions.

The IESO will be proceeding with a technology agnostic procurement for the LT2 RFP. New build resources that can meet the eligibility requirement, be enabled in the IESO-Administered Markets, and be in service by the Commercial Operation Date can participate in the LT2 RFP, with specific resources being better suited to the energy and capacity streams. The technology agnostic approach means that energy needs may be met through diverse resources such as wind, solar, hydro, biomass, nuclear, natural gas, demand response, conservation storage or other innovative technologies.

The IESO's preliminary assessment has identified connection availability for resources to be located across Ontario, including potential for siting in northern Ontario. Projects under the IESO's LT2 RFP procurement will be required to adhere to government policy direction for development on prime agricultural areas and municipal support requirements. These are examined in more detail in the Analysis section below.

The main purpose of this report is to provide an update to Council on the important changes made by the IESO to the LT2 RFP and to seek Council approval to provide an initial blanket support resolution to all energy proposals. The intent of the blanket support resolution will be to indicate that Haldimand County is a willing host for future energy projects. A subsequent blanket municipal support confirmation letter will be provided through delegated authority to staff to each project in advance of the proposal submission deadline confirming that they have undertaken the required community engagement activities to the satisfaction of the municipality and will also confirm whether the project lands are within any prime agricultural or specialty crop areas. In addition, to obtain the support letter, proponents would be required to meet a series of 'made in Haldimand' criteria and enter into a Community Support Agreement. The criteria are outlined in the Analysis section below and would specifically benefit the County over the course of the operations, which for many of the production types are estimated at approximately 20 years.

To date, staff have met with two proponents that have expressed an interest in establishing energy facilities in Haldimand County, including interest in both wind and solar power. As such, staff are

seeking clarification and direction from Council as it relates to the existing moratorium on wind development within Haldimand County. In 2013, the Council of the day passed a resolution to not provide municipal support for wind development projects. Staff are seeking direction from the current Council as to its position on wind development moving forward, considering the advancements in wind technology and the experience with wind generated power in the County over the past 11 years.

ANALYSIS:

A key aspect of the LT2 RFP process is that developers are required to engage with municipalities and to obtain their expressed support for a project within their jurisdiction. In effect, municipalities now have control over the types and locations of projects they host. While it is important for municipalities to play a role in addressing the electricity demand issue, there needs to be a balance between province-wide benefits and localized impacts. Based on this, it is reasonable to tie various requirements to the Municipal Support Resolution (MSR) to ensure community interests are protected and the County is receiving value relative to the project(s) being proposed within its municipal boundaries. The fact that the system is tied into existing transmission corridors located on County lands (primarily road allowance) demonstrates the reasonableness in expecting a community benefit from the proponents in addition to other municipal revenue that may be generated. Additionally, it is beneficial to have approved criteria to rely on to allow for consistency among all proponents. The staff recommended criteria described further along in the Analysis section. Staff have indicated to each of the proponents engaged to date, that County established criteria will need to be met before municipal support will be provided.

In addition, the IESO has received feedback from many stakeholders including the province and municipal partners that are shaping the procurement process for the LT2 RFP. The following is an overview of some of the key updates and changes from the LT1 RFP process that proponents will be required to adhere to, to be successful in this competitive process:

Key Requirements for the LT2 RFP Intake

1. Protections for Agriculture Areas – on June 6, 2024, the IESO received a directive from the Minister of Energy and Minister of Agriculture Food and Agribusiness to fulfil the government’s commitment that it would work with the agricultural community and municipalities on appropriate protections for prime agricultural areas. As such, projects under the IESO’s LT2 RFP procurement will be required to adhere to government policy for development on prime agricultural areas which include as follows:
 - rated criteria points for projects that avoid prime agricultural areas
 - no projects on specialty crop areas
 - prohibit ground-mounted solar projects on prime agricultural areas
 - all other projects will require an agricultural impact assessment to locate on prime agricultural areas
2. Projects will undergo a deliverability process to ensure resources can contribute effectively to addressing emerging reliability needs.
3. Indigenous Community Participation – the success of E-LT1 and LT1 RFPs is evidenced by significant indigenous participation in projects. Building on this success the IESO will seek to refine contractual parameters to mirror requirements from the past procurements including:
 - more rated criteria points were awarded based on increased levels of Indigenous economic interest

- additional points were awarded to incentivize participation from indigenous communities that were local to the project (e.g. communities who attested to the project being located on their traditional territory, treaty lands or homeland).
4. Community Engagement & Municipal Support - based on feedback, the IESO is recommending to streamline the approach for municipal support and community engagement. The changes between the LT1 RFP and LT2 RFP approach are highlighted in the table below.

LT1 RFP Approach	Recommend LT2 RFP Approach
<ul style="list-style-type: none"> • Criteria included in RFP for mandatory community engagement such as project website, public meeting(s), and notifications. 	<ul style="list-style-type: none"> • Streamline process to empower municipalities and proponents to determine the appropriate engagement approach: <ul style="list-style-type: none"> ▪ Remove mandatory requirements in the RFP for community engagement; instead, the IESO will encourage developers to conduct early engagement with municipalities to understand community preferences and needs; this allows municipalities to determine what is sufficient community engagement and allows the IESO to rely on municipal support as a measure that engagement has been completed in a satisfactory manner.
<ul style="list-style-type: none"> • Municipal support resolution could be provided after proposal submission. • Rated criteria points awarded if municipal support confirmation received before submission. 	<ul style="list-style-type: none"> • Municipal support confirmation is mandatory from the proponent before proposal submission to signal that a community supports the proposed project moving to the next phase.

In response to the above requirements identified by the IESO, staff are recommending Council approve the following recommendations to be incorporated into the requirements of any proponents seeking municipal support. These recommended changes—from the LT1 RFP process that Council approved in October 2023—will also be incorporated into the executed agreement(s) to be signed between the proponent and Haldimand County. Said agreement will formalize all of the developer’s obligations to various performances standards, contributions and processes.

Recommended Haldimand County Process

A Municipal Support Resolution (MSR) is now a mandatory inclusion at the time of proposal submission to the IESO and signals that a community supports the proposed project moving to the next phase. In lieu of requiring each project submission to attend Council as a delegation, staff are recommending that Council approve a blanket MSR which is defined by the IESO LT2 RFP documentation as follows:

- means a resolution or other instrument signed by or on behalf of the local municipality in which the long-term reliability project is proposed to be located that expresses support of the local municipality for the development, construction and operation of:

- a) the long-term reliability project; or*
- b) multiple long-term reliability projects;*

which support of such long-term reliability project(s) must be for the purposes of the requirements of:

- i. *this LT2 (Capacity and Energy) RFP; or*
- ii. *other long-term procurement initiatives of the IESO that are subsequent to the LT2 RFP*

And may be subject to all Laws and Regulations.

Essentially the blanket MSR indicates that Haldimand County is a willing host and Council agrees to the project subject to the approvals required. Having this resolution will provide the direction for staff to work with each proponent/project to outline the specific requirements as outlined below and contained within the executed agreement between the proponent and Haldimand County prior to providing the blanket MSR letter for the proposal submission.

A Blanket Municipal Support Confirmation (BMSC) letter as defined by the IESO LT2 RFP documentation is as follows:

- means a letter addressed to the IESO from the Chief Administrative Officer (or equivalent) of each local municipality with land use authority over any of municipal project lands that:

- a) *identifies;*
 - i. *the proponent*
 - ii. *the name, technology and maximum potential contract capacity of the long-term reliability project*
 - iii. *the municipal project lands*
- b) *states that the municipality supports the submission of the proposal;*
- c) *confirms that the proponent has undertaken community and indigenous engagement activities in respect of the long-term reliability project to the satisfaction of the municipality; and*
- d) *confirms whether the municipal project lands are within any prime agricultural or specialty crop areas.*

The BMSC letter will confirm that the proponent has undertaken community engagement activities for its proposal to the satisfaction of the municipality and will confirm whether the proposed project site(s) is a prime agricultural area or specialty crop area, and (if applicable) that the project will be subject to the Agricultural Impact Assessment requirements.

Delegating the issuance of blanket municipal confirmation support letters to the CAO for these projects will streamline and accelerate the process for both the County and the proponents. A Blanket Municipal Support Confirmation letter (BMSC) will only be provided by the CAO if the proponent agrees to and meets the key requirements established through the executed Community Support Agreement ('agreement'), which would be over and above the IESO's minimum requirements described in the paragraph above. The previous agreement will be updated to incorporate the following requirements and performance criteria:

1. Community Engagement:

The proponent will be required to develop a community engagement plan, to be approved by the County, to inform the public of their proposed project well in advance of receiving a BMSC letter. The community engagement plan must include at minimum the following mandatory requirements (note: proof of each will be required to be submitted to Haldimand County to receive municipal support).

Community Outreach	Timing
<ul style="list-style-type: none"> • Project website established and included on all marketing and company correspondence in the community. 	<ul style="list-style-type: none"> • As soon as possible (minimum 4 months before submission of project to the IESO).

Community Outreach	Timing
<ul style="list-style-type: none"> Project contact person identified with contact information available to public, council and staff. 	<ul style="list-style-type: none"> As soon as possible (minimum of 4 months before submission of project to the IESO).
<ul style="list-style-type: none"> Minimum of 2 Public Information Centres. 	<ul style="list-style-type: none"> At least 10 business days in advance of the Public Information Centre dates, the proponent is required to provide mailed notification to all property owners within 500 metres of the proposed project site. Notification will include: <ol style="list-style-type: none"> Meeting details and location of the scheduled Public Information Centre. A draft site plan that identifies key features, entrance/exits and pertinent project details. The Public Information Centres should be held at mutually agreed upon times and locations to ensure as many publics as possible can attend. The Public Information Centres should be promoted via local newspapers, radio and via social media (including Haldimand County channels).

2. Planning Considerations:

- a. Location – At present, energy production and storage projects are permitted as of right on any lands in the County through the Zoning By-law. While this suggests that projects of any type can take place anywhere, the requirements for a BMSC in the LT2 RFP puts control in the hands of the municipality given that a project can only proceed if a municipality has consented to it. This is a key change in the IESO process as it allows the County to influence the types of projects it will host and the locations for same. To that end, staff are recommending the following location considerations which would have to be satisfied by a project developer in order to obtain a BMSC:

Project Type*	Permitted Location
Wind turbine.	Industrial and Agriculture designations and zones. For wind turbines in Agriculture designation and zone, the standard for the acceptable area occupied by the use is up to 5% of a farm parcel.
Ground-mounted solar, battery energy storage systems, hydro, biomass, nuclear, natural gas, biogas, biomass, co-generation.	Industrial designation and zones.
Innovative ‘clean’ technologies which are directly associated with an existing on-site agricultural use – e.g. biomass, biogas, co-generation.	Agricultural designation and zone.

*Any project type not listed would not be subject to delegated authority and would require analysis by the County and unique consideration by Council prior to a Municipal Support Confirmation Letter being issued.

Staff are recommending the above location limitations given the high value and importance of the County's agricultural land base. All of the 'Agriculture' designated lands in the County's Official Plan (OP) are considered Prime Agriculture Area as defined by the Province. This characterization recognizes the high soil quality (predominantly classes 1 to 3 in the Canada Lands Inventory) and production value of the local land supply. The OP places a high degree of value on these lands in the form of protectionist policies that seek to maintain the land supply for the long term, the need to ensure compatibility of uses, and aim to limit the amount of conversion to non-agricultural uses. In staff's view, the type, scale and amount of energy projects in the Prime Agriculture Area should be controlled in recognition of the primacy of those lands.

As shown in the table above, only a limited amount of energy project types are recommended to be supported in Prime Agriculture Areas, specifically stand-alone wind turbines and innovative technologies associated with an existing agriculture operation which typically harness agriculture by-products or waste material (e.g. co-generation, biomass, biogas). The staff support for wind turbines is predicated on the limited footprint for such a use (e.g. one turbine typically requires 0.6 ha to 0.8 ha/1.5 to 2.0 acres), proven safety in operations, and the demonstrated compatibility with agricultural operations (e.g. farmers can plant/harvest field crops within a few metres of turbine bases). To ensure the conversion of land is limited, staff are recommending any turbine use be limited to a maximum of 5% of the farm parcel. By way of example, for a 40 hectare (100 acre) parcel, a maximum of 2 hectares (5 acres) could be used. This area limitation is consistent with guidelines produced by the Ministry of Agriculture, Food and Agribusiness relating to on-farm diversified uses. With respect to the innovative technologies associated with existing agriculture operations, these typically take the form of co-generation, biomass, or biogas with local examples of projects including Pro-Plant near Jarvis and Rosa Flora near Dunnville. These types of projects are both supportive of the parent agriculture operation (e.g. produce energy for the operation) and the goal of broader energy production with excess going into the grid.

- b. Agricultural Impact Assessment (AIA) – As per the directive received from the Ministry of Energy and Ministry of Agriculture, Food and Agribusiness projects will be required to adhere to the following:
- Rated criteria points for projects that avoid Prime Agricultural Areas;
 - No projects on specialty crop areas;
 - Prohibit ground-mounted solar projects on Prime Agricultural Areas;
 - All other projects require an AIA to locate on Prime Agricultural Areas.

For projects that are required to complete an AIA, the IESO has identified the following:

“Where the Project Site in respect of a Facility includes lands that are located within a Prime Agricultural Area as of the Proposal Submission Deadline (other than a Non-Rooftop Solar Project, which are not eligible to be located within Prime Agricultural Areas), the Supplier shall, by no later than the eighteen (18) month anniversary of the Contract Date, provide the IESO with a written notice containing confirmation from an authorized representative of any Municipality that has jurisdiction over land use planning in respect of all or any portion of the Project Site confirming that the Supplier has completed an Agricultural Impact Assessment with respect to the Facility and stating that such Agricultural Impact Assessment is satisfactory to the Municipality.”

Should Council support the staff recommendations relative to location of projects, the AIA would only be a requirement for projects located within Prime Agriculture Areas as defined by the Province (e.g. the areas designated 'Agriculture' in the County's OP).

There are two main parts of the AIA requirement:

- Part One – considers ways to avoid potential impacts (e.g. prevent impacts, where possible, through project location process that considers options outside prime agricultural areas and lower priority soils, if necessary). A description of a proponent's initial evaluation of possible alternative locations and their potential impacts will be provided to municipalities and confirmation of the municipality's satisfaction with such considerations will be reflected in the Municipal Support Confirmation. The comprehensive assessment of the project impacts will be provided in the final AIA itself.
- Part Two – considers strategies to minimize potential impacts (e.g. keep impacts to a minimum by incorporating specifics in the design of a project or operational plan) and approaches to mitigate potential impacts (e.g. adopt measures to reduce the severity of impacts such as noise, dust and traffic). This is reflected in host municipality attesting to having received an AIA completed to their satisfaction.

It is important to note that the review of an AIA is not typically completed by municipal staff as there is limited resources and expertise within the current staff complement to properly evaluate the information included within such a study. As such, staff are recommending that external peer review services be utilized with full costs to be borne by the applicant. The full cost recovery approach for the peer review would be combined with an administrative fee of \$730 plus HST which would address the staff effort involved in the review process including the requirement to produce an attestation for the Province. The cost recovery and administrative fee will find their authority through the User Fees and Service Charges By-law and is described in more detail below.

Staff will create an established set of criteria to ensure a consistent approach and inclusion of information for each project that is required to complete an AIA.

- c. Landscape Buffer Visual Screen – as part of the Community Support Agreement, the proponent will be required to agree to design, install and maintain a landscape buffer visual screen. These will be required for all energy projects, save and except for wind turbines due to the limited effectiveness of such a feature relative to such installations. The buffer area shall consist of the following elements, which are to be implemented through the site plan approval process:
 - i. buffer installation shall take place across the entire road frontage and be established along the entire length of and contiguous to each property line, with a width of not less than 6 metres (20 feet);
 - ii. buffer shall be furnished with a compact screen of trees and shrubbery, planted as to be eighty per cent (80%) or more opaque when viewed horizontally;
 - iii. all trees and shrubbery shall be a minimum of 2 metres (6 feet) in height, within 12 months after the landscaping is begun;
 - iv. earthen berms are permitted as part of the buffer with a maximum height of 1.0 metre (3 feet). The outward face of the berm must be planted with trees and shrubbery as described in ii and iii above;
 - v. the buffer shall be established and maintained in a neat and clean condition at all times and in accordance with the location, width, opaque and height requirements set out above.
- d. Decommissioning Plan – Through the site plan process and as part of the executed municipal agreement all projects will be required to provide Haldimand County with a decommissioning plan outlining the proponent's plans to restore the lands once the project and infrastructure is at

the end of its useful life. The decommissioning plan will provide the proponents plans to retire the physical facilities of the project and will include plans for decontamination, dismantlement, rehabilitation, landscaping and monitoring.

- e. Site Plan Process – All energy projects—defined as ‘public utility installations’ in the County’s Zoning By-law—are subject to the site plan approval (SPA) process. The SPA process will be the vehicle used to ensure all of the above noted requirements—landscape buffer, decommissioning plan, location considerations—are consolidated and given legal effect, while other technical matters such as stormwater management, lot grading/drainage, lighting, etc. are also suitably addressed.
- f. Pre-consultation – Similar to the projects seeking municipal support in the earlier LT1 RFP processes, projects for the LT2 RFP process and future IESO energy project intakes will be required to attend a Pre-Consultation meeting. A Pre-Consultation meeting allows applicants the opportunity to meet with staff and outside agencies to understand the standards and expectations, ask questions, and determine what will be required for a complete site plan application. Following the Pre-Consultation meetings, all energy and capacity projects that are seeking/received municipal support will be referred to the Haldimand County Development Concierge Team (DCT). The DCT will provide additional assistance to the project(s) throughout the site plan process to ensure the key timelines of the project are met.
- g. Fire Safety Plan – A requirement for a Fire Safety Plan was included in the previous municipal agreement. Staff are proposing one small change to the existing wording to include access to industry expertise in delivering the training. The following provision will be added to the municipal agreement:

“No later than fifteen (15) days after the Proponent has obtained site plan approval under the Planning Act, it will deliver a fire safety plan with respect to the Project which will be acceptable to the Haldimand County Fire Department according to its sole discretion. Any training related to the execution of the safety plan would be administered by County staff in conjunction with industry experts (e.g. Fire Safety and Training Coordinator) to be funded by the Proponent.”

3. Road Use Agreement:

There is no change from the previous IESO intake (LT1 RFP) and the requirements for proponents through LT2 RFP to enter into a road use and maintenance agreement, ensuring that affected roads are maintained to the previous standard, should they be successful in the IESO RFP process. Haldimand County currently has a standard Road Use Agreement that would be utilized for all successful projects and would include both pre and post condition surveys, as necessary, conducted by the developer and reviewed/confirmed by County staff. For projects that do not require the installation of infrastructure within the County’s ROW conditions will be included in the site plan agreement.

4. Community Benefit Contribution:

Each proponent will be required to commit, prior to being issued a BMSC, to provide an annual monetary contribution, per megawatt, over the life of the project. This commitment would be included in the Community Support Agreement and would indicate that, if successful in the IESO RFP process, they agree to the annual payment terms. Staff continue to review best practices of other municipalities in Southwestern Ontario who have entered into similar agreements requiring a financial contribution and have considered their approach as part of the report recommendations. It is staff’s position that in addition to any assessment revenue that is received, these projects will benefit significantly from the ability to use municipal land for energy transmission, collection and

storage and that there should be further financial compensation provided to the municipality in this regard. As a condition of local support, each proponent will be required to enter into a Community Support Agreement with Haldimand County, which would result in significant financial contributions to the municipality over the next 20+ years. Said agreement would also incorporate all the other requirements identified in 1 to 3 above.

It is important to note that a Municipal Support Confirmation does not exempt projects from going through the required Environmental Assessment (EA) and planning processes. If a project fails to meet the standards of either, the project cannot move forward. As per past projects, the following potential concerns will be addressed through the EA process:

- Cultural heritage assessment
- Natural heritage assessment
- Noise assessment (to demonstrate provincial sound limits can be complied with)
- Land use planning, and
- Archaeological assessment (including engagement with First Nations).

Additionally, matters such as road impacts, visual impacts, and the development process will be addressed through the EA.

Reconsideration of Haldimand County as a Willing Host for Wind Development

Currently, Haldimand County is considered an unwilling host for future wind development projects. In February 2013, the Council of the day passed a resolution to not provide municipal support for wind development projects as outlined below.

1. WHEREAS the Green Energy Act, when established by the Province, removed local planning and decision-making from municipal councils;
2. AND WHEREAS Next Era currently has a contract with the Ontario Power Authority (OPA) and the approvals to install 59 (135.5 MW) industrial wind turbines in Haldimand County;
3. AND WHEREAS Capital Power currently has a contract with the OPA and the approvals to install 47(104.4 MW) industrial wind turbines in Haldimand County;
4. AND WHEREAS Samsung currently has a contract with the OPA and the approvals to install 67 (148.6 MW) industrial wind turbines in Haldimand County;
5. AND WHEREAS Niagara Region Wind Corporation has a contract with the OPA and potential approvals to install 31 (93 MW) industrial wind turbines in Haldimand County;
6. AND WHEREAS the Province has changed the rules for obtaining approvals under the new Feed-in-Tariff (FIT) 2.0 process by gaining favor, gathering points, and demonstrating support by various groups such as local municipal councils;
7. AND WHEREAS the local municipal council can still only provide support but cannot stop or deter any corporation or like entity in applying for a FIT contract through the OPA;
8. NOW THEREFORE be it resolved that Haldimand County Council will not be providing local municipal support to any application that will construct industrial wind turbines in Haldimand County.

Since 2013, there have been significant changes made to the process and involvement of the municipality in new-build energy projects. The Provincial government recognizes that support from local communities is critical to securing projects to meet future demand requirements. The Province's *Green Energy Repeal Act* in 2018 gave powers back to municipalities regarding how land use for renewable energy is regulated and approved in Ontario, including restoring municipal siting authority under the *Planning Act* over new proposed projects (e.g. zoning and site plan control). In addition to this, the

Minister of Energy has placed an emphasis on municipal council support of projects proposed on sites that are located within their boundaries through avenues such as the MSR. If Council is supportive of the staff recommendation to permit wind turbines in both industrial and agriculture areas, the above resolution would need to be rescinded in connection with Council's support of the staff recommended criteria. The rationale for considering the rescindment includes the reinstatement of municipal controls (including the recommended criteria in this report, site plan approval process, etc.) and the land use compatibilities that have been demonstrated after over 10 years of operations. Should Council decide not to rescind the 2013 resolution, wind turbines would be excluded from the energy projects eligible for an MSR.

FINANCIAL/LEGAL IMPLICATIONS:

Similar to previous alternative energy initiatives/projects built in Haldimand County in the past (e.g. wind, solar, transmission line and battery storage facilities), it is recommended that the Community Support Agreement include specific financial commitments.

It is recommended that the Community Support Agreement will provide the following financial contributions/benefits to Haldimand County, similar to the projects approved under the LT1 RFP process:

1. The proponent will make an annual community benefit contribution to Haldimand County in the aggregate amount of \$1,110/MW of Project Contract Capacity for the duration of the agreement with the IESO for each Project, up to a maximum amount of \$300,000 per year per project. The Community Benefit Contribution shall be increased annually by an amount equal to the escalation factor received by the Long-Term Reliability Project Entity under its Power Purchase Agreement and the maximum would be adjusted accordingly.
2. The proponent shall be responsible for compliance with all applicable laws in respect to the project, including Federal and Provincial legislation, and shall indemnify and hold the municipality harmless for any breach thereof.
3. The proponent will obtain approvals in the normal course from Haldimand where Haldimand is the governing or approval authority (e.g. *Planning Act*, Building Code, Fire Code, *Drainage Act*, Municipal By-laws, etc.). Nothing in the Agreement affects the authority of Municipal officials or decision makers (Chief Building Official, Fire Chief, Council, etc.) from enforcing and exercising their authority and discretion under applicable law, acting reasonably.
4. Other criteria as listed above related to the submission of public engagement, fire plan, road use and a commitment to address visual aesthetics would be captured within the agreement or may be completed as a separate agreement, prior to a municipal support letter being issued.

The above noted contributions are payable annually by each approved proponent once the project reaches commercial operation as confirmed by IESO.

Staff will also bring back a report to Council to seek approval to establish the appropriate Reserve Fund and a Comprehensive Policy to establish the principles, allocation and use of all past, present and future Community Benefit contributions.

In addition to the above, an amendment to the County's User Fees and Service Charges By-law will be required to accommodate full cost recovery of the new requirement for an agricultural impact assessment on prime agricultural land. In addition, the assessment costs of the external expert being fully recoverable, an administrative cost of \$730 plus HST will also be include in the fees charged. This fee was developed in coordination with the County's Finance Division and will be incorporated into the County's User Fees and Service Charges By-law. Costs are calculated utilizing the approved methodology within Schedule R in the County approved User Fees and Service Charges By-law.

The proposed Community Support Agreements would result in meaningful financial contributions to the Municipality over the next 22 years. However, it is also noted that the Community Benefit Contribution is only payable by each proponent if the respective project reaches commercial operation, as confirmed by the IESO. Staff will work with legal to update the current agreements.

Additionally, Haldimand County will see an economic benefit from these projects including:

- Property tax revenues.
- Local Economy – during construction these projects are anticipated to create local jobs. In addition, increased electrical capacity contributes to the economic viability of the area and may assist in the attraction of new or expanded business.
- Construction Revenue – one-time and building permit fees would be applicable to every building or structure (including the container units) and would be charged on a per square metre basis in line with the nature and size of the facility. There is a potential for some development charges but until the exact construction plans are known it is difficult to predict how significant these may be. In simple terms, the larger the facility, the greater the DC and permit value will be.

STAKEHOLDER IMPACTS:

If delegated authority is not provided to staff to issue municipal support letters, each proponent will be required to delegate to Council to seek individual support. As each project has many similarities, and since the suggested criteria along with the RFP requirements addresses other aspects of municipal importance and public interest matters, staff are suggesting that it would be more efficient for both the County and the proponents to proceed through a delegated authority approach.

REPORT IMPACTS:

Agreement: Yes

By-law: Yes

Budget Amendment: No

Policy: No

REFERENCES:

1. The [IESO website](#) is an excellent resource on electricity and energy storage in Ontario.
2. The [IESO's LT2 RFP webpage](#) provides links to draft contracts, resources documents.
3. [CAO-03-2023 IESO Battery Storage Proposal – Municipal Support Resolutions](#).

ATTACHMENTS:

1. Draft prescribed Evidence of Municipal Support form.
2. Draft User Fee By-law
3. Draft 2025 User Fee Schedule P update