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# Haldimand County

## Report EDT-02-2026 Updates for Independent Electricity System Operation Long Term Two Request for Proposals, Municipal Support Resolutions

For Consideration by Council in Committee on April 7, 2026

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### Objective:

To seek Council's support of energy projects through the approval of the proposed updates outlined in this report and to confirm continued support through delegated authority to the Chief Administrative Officer to issue municipal support confirmation letters for future Independent Electricity System Operation (IESO) proposals under the Long Term Two Request for Proposals (LT2 RFP).

### Recommendations:

1. THAT Report EDT-02-2026 Updates for Independent Electricity System Operation Long Term Two Request for Proposals, Municipal Support Resolutions be received;
2. AND THAT Haldimand County Council endorse, in principle, the development, construction and operation of Long-Term Energy and Capacity Projects located within the municipal boundaries of Haldimand County as identified within this report;
3. AND THAT this resolution's sole purpose is to satisfy the mandatory requirements of the Independent Electricity System Operator (IESO) Long-Term Two Request for Proposals (LT2 RFP) and may not be used for the purpose of any other form of approval in relation to proposed projects or for any other purpose;
4. AND THAT the revised criteria for issuing a municipal support letter, as outlined in Report EDT-02-2026, be approved and apply to all future projects contemplated in Haldimand County under the IESO LT2 RFP process seeking municipal support;
5. 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 a Proponent has successfully met all criteria;
6. AND THAT the Chief Administrative Officer and Chief Financial Officer be authorized to execute the necessary agreements associated with the approved criteria.

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**Approved:** Michael Di Lullo, MPA, CMM III, Chief Administrative Officer

### Executive Summary:

The Independent Electricity System Operator (IESO) has launched a series of energy related project procurements in response to Ontario's growing electricity demands. Current procurements require

municipalities to formally confirm support for local project proposals. Haldimand County has previously adopted a Blanket Municipal Support Resolution and delegated authority to staff to issue Municipal Support Confirmation Letters (MSCL), enabling a more efficient and predictable process for both Haldimand County and project proponents.

Through participation in the LT2 RFP Window 1 and engagement with several proponents and community members, staff have identified opportunities to refine and clarify requirements to ensure consistent, transparent, and high-quality submissions. Recommended updates include streamlined public engagement timelines, clarified expectations for decommissioning plans, and landscaping buffer requirements. Staff also recommend continuing to anchor all municipal support conditions within a mandatory Community Benefit Agreement (CBA), ensuring long-term contributions to Haldimand County and clear accountability throughout project development and operation.

Overall, the recommended updated processes and criteria will support responsible energy development in Haldimand County, enhance administrative efficiency, safeguard municipal interests, and ensure proponents meet clear meaningful public engagement requirements. Delegated authority remains a key tool in streamlining municipal support and ensuring competitive, timely submissions to the IESO's ongoing procurement windows.

## **Background:**

### **IESO Procurement Need**

The Independent Electricity System Operator (IESO), Ontario's electricity system operator and planner, is responsible for ensuring reliable and cost-effective power supply for the province. In April 2025, the IESO released its 2025 Annual Planning Outlook, projecting that electricity demand will increase by 75% by 2050, driven by economic growth, population increases, technological advancements, and industrial electrification. While demand forecasts continue to be updated and show slight variations, they consistently indicate rising electricity demand. As a result, the IESO has implemented a multi-pronged approach to ensure the necessary resources are in place to meet Ontario's rapidly growing electricity needs.

The Second Long-Term Request for Proposals (LT2 RFP) is anticipated to be the largest competitive electricity procurement in Ontario's history. Through this process – which is already underway – the IESO aims to procure 14 terawatt-hours of annual generation and 1,600 megawatts of capacity resources to meet electricity needs from 2029 to 2034. The IESO is proposing a series of intake windows for the LT2 RFP over a period of four (4) years which began in late 2025. Contracts from the first window are expected to be awarded in Q2 of 2026 with commercial operations beginning in 2029/2030. Future submission windows have not yet been finalized but are expected to follow a similar timeline. The LT2 RFP window 2 is not anticipated to be posted until Q4 2026 with proposal submission anticipated around Q2 2027. While final documents on future RFPs are still under design, the RFP windows for the LT2 are anticipated to remain fairly similar.

### **Municipal Engagement**

Through procurements the IESO relies on Municipal Support Confirmation (MSC) to verify whether project lands are located within prime agricultural areas and to ensure that community engagement has been completed satisfactorily to the local municipality. The IESO has encouraged municipalities to work directly with developers to set expectations and minimum community engagement standards that meets their specific community needs. Under the LT2 RFP, proponents must obtain formal confirmation

of municipal support prior to submitting their proposal to the IESO. This confirmation demonstrates that the community endorses advancing the proposed project to the next phase.

## **Haldimand County's Approach**

Previously, Council approved a Blanket Municipal Support Resolution and delegated authority to staff to provide Municipal Support Confirmation Letters (MSCL) via Report EDT-05-2024 – Independent Electricity System Operation Request for Proposal Long Term 2 – Municipal Support Resolutions and Report EDT-08-2024 – Update to Report EDT-05-2024 and Moratorium on Wind Development in Haldimand County. Blanket Municipal support signals to the IESO that the municipality is generally a willing host to energy projects on lands within the municipality's jurisdiction. This approach is intended to streamline processes for proponents allowing staff to provide municipal support via delegated authority in a more timely manner.

Council previously approved criteria that must be met for projects seeking municipal support related to the IESO LT2 RFP. Key criteria highlighted the importance of community engagement, site plan requirements, and location criteria/zones in which projects would be supported and described in this report. It is also important to note that the location criteria described in this report is only applicable for granting municipal support related to the IESO LT2 RFP. Outside of this, a public utility, as defined by the Haldimand County Zoning By-Law, and subject to the applicable provisions, is generally permitted in all zones.

## **Benefits to Energy Projects**

Ontario's electricity grid is powered by a diverse mix of resources, each with its own way of generating energy and unique operating characteristics. No single resource can meet all system requirements on its own, so maintaining this diversity is essential to ensure a reliable and resilient electricity supply for communities across the province.

New energy projects present significant long-term benefits for the municipality. These developments can provide reliable and ongoing contributions to the municipal tax base while requiring minimal municipal services. During construction, they are expected to generate local employment opportunities and, by increasing electrical capacity, enhance the area's economic viability and support the attraction of new or expanded businesses. In addition to economic benefits, these projects can help reduce Ontario's greenhouse gas emissions, strengthen provincial and local grid resilience, and may include improvements to local energy infrastructure. Furthermore, all local projects will be required to enter into a Community Benefit Agreement with Haldimand County, ensuring substantial municipal requirements are met, including financial contributions. If successful in the IESO procurement process, each project will provide an annual monetary contribution based on installed megawatts for the life of the project, resulting in meaningful and sustained financial benefits for the municipality.

## **Long-Lead Time Request for Proposals**

For Council's awareness, the IESO is also engaging with developers and communities for the proposed Long Lead-Time Request for Proposals (LLT RFP) separate from the LT2 RFP. The LLT Procurement is under development for new build resources with long-lead times and is expected to launch in the near future, pending Ministerial direction with a submission date in the Fall of 2026.

Applicable projects under the LLT include:

1. Energy Stream – IESO proposed target to procure up to 1 TWh. Eligible projects expected to include Hydroelectric Generation Facilities; and

2. Capacity stream – anticipated target procuring up to 800 MW. Eligible projects expected to include: Compressed Air Energy Storage, Pumped Hydroelectric Storage, Liquid Air Energy Storage, and Pumped Thermal Energy Storage.

It is anticipated resources for this RFP will reach commercial operation up to 2035 with longer term contracts. Successful projects would be awarded 40-year contracts.

While proposals under the LLT would also require municipal support, at this time staff are not including LLT projects in the recommended LT2 blanket municipal support resolution. Rather any proposed LLT project would require a delegation and unique consideration by Council for an individual municipal support resolution. Due to the nature of the LLT it is anticipated that there will be few if any projects proposed for Haldimand County that are applicable to the Long Lead Time RFP.

## **Repowering Facilities**

Through future procurement windows the IESO is contemplating eligibility for re-powering existing facilities. While the LT2 RFP Window One (1) was restricted to only new facilities, the IESO is currently collecting feedback and direction from government. At time of report writing, it is unknown what eligibility, or requirements will be applicable for repowering facilities. Staff will share an update to Council once additional information is released.

## **Analysis:**

For the IESO ongoing LT2 RFP, all proposed projects require municipal support prior to their submission to the IESO. Through the IESO LT2 RFP Window 1 staff engaged with several proponents interested in Energy projects which resulted in three proposals submitted to the IESO (Lagasco Inc., Rosa Flora, and Proplant Propagation). Through engagement with proponents and community members, staff identified opportunities to refine criteria and enhance processes, supporting continuous improvement and clarifying/streamlining workflows for both proponents and staff. The following analysis identifies proposed recommendations to improve and clarify requirements, highlighting key changes. A summary of all requirements – revised to reflect the changes recommended below - is attached to this report (Attachment 1: IESO LT2 RFP Municipal Support Requirements) and will also be shared with prospective developers.

Any projects not meeting the prescribed requirements would require analysis by Haldimand County staff and unique consideration by Council prior to a Municipal Support Confirmation Letter being issued.

## **Key Proposed Updates**

### **1. Public Engagement Timelines**

The IESO requires proponents to submit a pre-engagement confirmation notice to the local municipality no later than 60 days prior to proposal submission, although it is up to the municipality to identify what it will require for public consultation.

While continuing to emphasize the importance of public engagement, staff are recommending a shortened public engagement timeframe. The intention in seeking delegated authority was to create administrative efficiencies. That said, all three projects that were submitted to the IESO in the LT2 RFP window 1 required reports to Council as their initial outreach to staff and subsequently their public engagement activities did not meet the previously established 4 month minimum requirements to create a website and project contact or meet the requirement to have public consultation complete 3 months prior to submission.

As such, staff are recommending a slightly shorter public engagement timeline. Doing so is anticipated to ensure proponents can adequately complete their public engagement within the established timelines and thus not require a report to Council.

#### Proposed Amendments:

- A minimum of 3 months (previously 4 months) prior to submission: proponents shall create a website with project and contact information.
  - At preliminary contact, proponents shall also provide a concept plan of the proposed energy development to support an internal staff review and the provision of preliminary considerations and requirements.
- A minimum of 2 months (previously 3 months) prior to submission: proponents shall provide evidence that public consultation was completed.
- Submit the prescribed IESO pre-engagement confirmation notice no later than 60 days prior to proposal submission deadline (IESO requirement).
- Staff have also added some minor clarification on preferences for public consultation that include preferences for open houses to be held on different days of the week and different times to ensure maximum possible attendance.

Reducing the above requirements by 1 month provides proponents more time and flexibility to draft plans while maintaining the importance of public engagement. Of particular note, all three proposals submitted to the IESO (Lagasco Inc., Rosa Flora, and Proplant Propagation) would have been closer to meeting these revised requirements and may not have required a report to Council for shortened public engagement. The reduced timelines – which were effectively ‘tested’ by the three projects – proved to be appropriate based upon the feedback received by staff and the success of the public consultation efforts.

## **2. Decommissioning Plans**

Proposals that are successful in the LT2 RFP evaluation process will be awarded a 20-year contract term. Following the contract period, it will be important for proponents to have a plan in place for restoring and remediating project lands at the end of the contract or the projects useful life.

Developing a decommissioning plan is a key component of the Ministry of Environment, Conservation and Parks’ Renewable Energy Approval (REA) process under O. Reg. 359/09 of the Environmental Protection Act. While the REA, which applies to most facility types must be obtained prior to a facility injecting electricity into the grid, the decommissioning activities themselves would take place after the LT2 Contract has concluded. Most solar, wind or bio-energy projects in Ontario will require a REA.

For all projects, the Proponent will be required through the site plan process to provide a decommissioning plan prepared by a Qualified Professional, such as licensed environmental professional or Professional Engineers.

## **3. Landscaping Buffer**

While there are no proposed changes to the specific landscaping buffer requirements previously required, staff are requesting limited flexibility for large scale projects with multiple road frontages. Staff recommend that should a project parcel have multiple road frontages of lengths beyond 0.5 km, proponents may appeal to staff for consideration of reduced landscaping requirements with evidence that the landscaping requirements would be detrimental to the projects financial success and/or would have limited benefit or effectiveness from a visual buffer standpoint. Doing so will allow staff the ability to have some flexibility in determining the best

solution to meet the intent of the landscaping buffer while ensuring the requirements are feasible on a project specific basis.

## Other Minor Updates

- Clarified language on Fire Safety Plan timing, requiring a fire safety plan to be prepared and provided to Haldimand County Emergency Services 15 days after site plan approval with the finalized fire safety plan required prior to commercial operation.
- Clarified language on Municipal Access Agreements to address energy projects that may not be placing any infrastructure in the municipal right of way but still require the use of municipal roadways for construction traffic.

## Financial/Legal Implications:

It is recommended that the Community Support Agreement continue to include specific financial commitments which will provide the following:

1. The proponent will make an annual community benefit contribution to Haldimand County in the aggregate amount of \$1,133/MW (as of 2026) 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. Effective January 1<sup>st</sup> 2026, the per MW rate will be indexed annually using the year over year index - Table 18-10-0004-01 Consumer Price Index, monthly, not seasonally adjusted, all items, Ontario, year over year (December to December) from Statistics Canada. Using this index, the increase would be 2.09% (December 2025 – 166.1 less December 2024 – 162.7) or \$1,133 per MW.
2. 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. As such all new agreements will have annual escalation factor built in starting, and for the term of the agreement.
3. 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.
4. 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.
5. 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 the IESO. Finance 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.

To support full cost recovery for the required agricultural impact assessment (AIA) on prime agricultural land, the existing fee within Haldimand County's User Fees and Service Charges By-law reflects both the full recoverability of the AIA peer review and includes an administrative fee of \$752 plus HST (2026 fee). A user fee for this requirement was previously established, and the updated costing has been

developed in coordination with Haldimand County's Finance Division. All costs have been calculated using the approved methodology outlined in Schedule P of Haldimand County's User Fees and Service Charges By-law.

The proposed Community Benefit Agreements would result in meaningful financial contributions to the Municipality over the lifetime of the energy project. 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 may see potential 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 businesses.
- Construction Revenue – permit fees would be applicable to every building or structure (including container units) and would be charged on a per square metre basis in line with the nature and size of the facility. There is also potential for 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:**

Blanket Municipal Support with delegated authority creates a more streamlined and efficient process for staff working with proponents seeking municipal endorsement for IESO submissions. Without delegated authority, each proponent would need to appear before Council individually, creating delays and additional administrative work. Given the similarities among projects and the fact that the recommended criteria, along with the IESO RFP requirements, address key municipal and public-interest considerations, staff recommend using a delegated authority approach to improve efficiency for both Haldimand County and proponents.

### **Report Impacts:**

Agreement: Yes

By-law: No

Budget Amendment: No

Policy: No

### **References:**

1. [IESO Community Engagement Resources](#)
2. [IESO LT2 Municipal Guide](#)
3. [EDT-05-2024 Independent Electricity System Operation Request for Proposal Long Term 2 – Municipal Support Resolutions](#)
4. [EDT-08-2024 Update to Report EDT-05-2024 and Moratorium on Wind Development in Haldimand County](#)
5. [OMAFA AIA Guidelines for IESO proposals](#)

**Attachments:**

1. Attachment 1: IESO LT2 RFP Municipal Support Requirements