

Municipality of Lakeshore – Report to Council

Growth & Sustainability

Economic Development & Mobility



To: Mayor & Members of Council

From: Ryan Donally, Division Leader – Economic Development & Mobility

Date: December 16, 2022

Subject: IESO Municipal Support Resolutions for Battery Energy Storage Systems Facilities

Recommendation

Whereas the Proponent, [insert legal name of Proponent], is proposing to construct and operate a Long-Term Reliability Project named [insert name of long-term reliability project] at the Project Site which is located on the Subject Lands described as [insert legal description of the lands] in the Municipality of Lakeshore] in accordance with the Independent Electricity System Operator's (IESO) E - LT1 and LT1 Request for Proposals process;

And whereas the Long-Term Reliability Project will use the Technology which is [insert technology of the long-term reliability project] and the Project is expected to have a Maximum Contract Capacity of [insert the maximum Contract Capacity in MW];

And whereas it is the Municipality of Lakeshore's understanding that Long-Term Reliability Project 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 ELT1 RFP and LT1 RFP;

Now therefore the Council of the Municipality of Lakeshore resolves that:

The Municipality of Lakeshore supports the development, construction and operation of the Long-Term Reliability Project on the Subject Lands;

This resolution's sole purpose is to enable the Proponent to receive rated criteria points under E-LT1 RFP and LT1 RFP or to satisfy its obligations under any awarded E-LT1 or LT1 Contract and may not be used for any other form of approval in relation to a proposal or Long-Term Reliability Project, planning approval, to satisfy environmental requirements or the process, or for any other purpose; and

This approval is subject to individual Environmental Assessment reviews and land use planning review and approval pursuant to the Planning Act, all as presented at the January 10, 2023 Regular Council Meeting.

(As noted on page 10, Administration recommends approval of projects #2 to #16 and that Council support a resolution for each recommended project).

Background

At the December 13th, 2022, Council Meeting, Council accepted the IESO Projects Overview Report and directed Administration to return “Option 2” which requests that Administration brings back a list of potential projects that are requesting a Municipal Support Resolution (MSR) so council can decide whether to provide a MSR on a case-by-case basis.

The Independent Electricity System Operator (“IESO”) is acting under the direction of the Minister of Energy to undertake initiatives and activities to increase electricity supply or capacity in Ontario. To address the need, the IESO is competitively securing additional capacity through procurement processes from private companies across Ontario. The IESO has determined that a Municipal Support Resolution is a weighted criteria for a company seeking to develop a battery storage facility (Appendix D, Municipal Support Resolution).

Comments

- There are 10 companies, representing 16 projects seeking Municipal Support Resolutions (MSRs) in the Municipality of Lakeshore for the Expedited Long Term One Request for Proposals “E-LT1 RFP”. There will likely be more projects requesting MSRs in the summer of 2023, prior to the LT1 RFP closing.
- MSRs do not exempt projects from going through the Environmental Assessment (EA) and planning processes. If a project fails to meet the standards of either, the project cannot move forward.
- It is expected that only a small number of these proponents will be successful in their bid for the initial E-LT1 RFP or the LT1 RFP energy contract from IESO. The exact number will not be determined until the contracts are awarded in late March 2023 and beyond.
- Each successful project proponent is expected to enter into a community benefits agreement with the municipality.
- All but one of the projects proposed is a Battery Energy Storage System (BESS). The other is a natural gas energy generation project shown as Project #1, Under Sun Acres Green Energy.
- Administration does not recommend support for Project #1, Under Sun Acres Green Energy because the location is not yet determined and Administration is not yet familiar with generation projects.
- The proposed projects are built by private industry and will have a capital cost ranging from the tens of millions of dollars to hundreds of millions of dollars. It is

expected that the full future build out of these facilities could end up with a capital expenditure well over one billion dollars in Southwestern Ontario.

- There is a broad range of proposed sizes of these facilities, with proposals ranging from small (under an acre) to large (tens of acres located on hundreds of acres of land).
- It is expected that there will be additional future requests for MSRs as more energy transmission comes on-line.

The chart below provides a summary of the proposals. The details of each project are included in Appendix B.

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<u>Project Number</u>	<u>Project Name</u>	<u>Project Proponent</u>	<u>Project Size – (type)</u>	<u>Municipal Address / Description</u>	<u>Subject Lands</u>
1	Under Sun Acres Green Energy	Chris Del Greco	3.3-19.8 MW (Generation Project)	Not disclosed	NA
2	Rochester Townline Energy Storage Project	Rochester Townline Project Ltd.	160-300 MW (BESS)	0 Rochester Townline Road. NW Corner of Rochester Townline	Part of Lot 16, Concession North Middle Road, Rochester; Part of the South Half of Lot 17, Concession North Middle Road, Rochester; Part of the North Part of Lot 17, Concession North Middle Road, Rochester as in R833270; Lakeshore, subject to an easement in gross over Part 1 Plan 12R24825 as in CE523970, being all of the Property Identifier Number 75055-0040(LT)
3	Tilbury North Battery Energy Storage System (BESS)	Boralex	50-80 MW (BESS)	22100 Lakeshore Road 303, Lakeshore, N0P 1L0	(i) Part of Lots 21-22, Concession 2, Tilbury, as in R1000035; subject to TN7842; Lakeshore, being all of the Property Identifier Number 75074-0170(LT) (ii) Part of Lots 21-22, Concession 2, Tilbury, as in R986867; Lakeshore, being all of the Property Identifier Number 75074-0167(LT)

4	Tilbury South Battery Energy Storage System (BESS)	Boralex	60-100 MW (BESS)	22100 Lakeshore Road 303, Lakeshore, N0P 1L0	<p>(i) Part of Lots 21-22, Concession 2, Tilbury, as in R1000035; subject to TN7842; Lakeshore, being all of the Property Identifier Number 75074-0170(LT)</p> <p>(ii) Part of Lots 21-22, Concession 2, Tilbury, as in R986867; Lakeshore, being all of the Property Identifier Number 75074-0167(LT)</p>
5	Comber Battery Storage Project	Brookfield Renewable Partners Inc.	150-300 MW (BESS)	5798 South Middle Road	<p>(i) Part of Lot 5, Concession South Middle Road, Tilbury, designated as Part 2 on Plan 12R16770, together with R561725; together with an interest in R561725; Lakeshore, being all of the Property Identifier Number 75060-0075(LT)</p> <p>(ii) Part of Lot 5, Concession South Middle Road, Tilbury, designated as Parts 6 to 8 on Plan 12R16770, together with R561725; together with an interest in R561725; subject to R473012; Lakeshore; subject to an easement in gross over Parts 1, 2, 3, 4 & 5 on Plan 12R24744 until 2032/07/18 as in CE528076; subject to an easement for entry until 2032/07/18 as in CE528077, being all of the Property Identifier Number 75060-0138(LT)</p>
6	Richardson Storage Project	EDF Renewables Canada Inc.	90-150 MW (BESS)	0 Richardson Sideroad	Part of Lot 18, Concession North Middle Road, Tilbury, as in R331815 (Firstly); Lakeshore, being all of the Property Identifier Number 75077-0075(LT)
7	Four Railroads BESS	Capstone Infrastructure Corporation	Up to 350 MW (BESS)	See Appendix D	Part of Lot 19, Concession North Middle Road, Tilbury, as in R371750 (Firstly); North of 12R646; Lakeshore; subject to an easement in gross over Part 1 on Plan

					12R24997 as in CE512084; subject to an easement over Parts 2 & 3 on Plan 12R27882 as in CE922383; subject to an easement in gross over Parts 1, 3 & 4 on Plan 12R27882 as in CE922384, being all of the Property Identifier Number 75078-0016(LT)
8	Shore Breeze BESS	Capstone Infrastructure Corporation	Up to 200 MW (BESS)	See Appendix D	<p>(i) Part of Lots 7 and 8, Concession South Middle Road, Maidstone, designated as Parts 4 And 5, Plan 12R27824; subject to an easement over Part 5, Plan 12R27824 as in R537222; together with an easement over Part 1, Plan 12R707 as n R567384; Town Of Lakeshore, being all of the Property Identifier Number 75013-0154(LT)</p> <p>(ii) Part of the south half of Lot 6, Concession South Middle Road, Rochester, designated as Parts 1 & 4 on Plan 12R16014; subject to R526662; subject to an easement in gross over Parts 1 & 2 Plan 12R24810 as n CE505608; Town Of Lakeshore, being all of the Property Identifier Number 75023-0246(LT)</p>
9	Lakeshore Harvest BESS	Capstone Infrastructure Corporation	Up to 200 MW (BESS)	See Appendix D	<p>(i) Part of the North Half of Lot 8, Concession South Middle Road, Maidstone, as in R1498701, except R468633; together with R573343; Lakeshore, being all of the Property Identifier Number 75013-0022(LT)</p> <p>(ii) Part of the North Half of Lot 9, Concession South Middle Road, Maidstone, as in R199440, except R468633, R562540, designated as Part 1 on Plan 12R14599; Part 2 on Plan 12R24471; subject to R851108E; Town of Lakeshore, being all of the Property Identifier Number 75013-0139(LT)</p>

					<p>(iii) Part of Lot 12, Concession 9, West Belle River, Maidstone, designated as Parts 1, 2, and 3 on Plan 12R16668; subject to an easement as in MB15599; Lakeshore, being all of the Property Identifier Number 75010-0044(LT)</p> <p>(iv) Part of Lot 13, Concession 9, West Belle River, Maidstone, as in R1042169, except Part 1 on Plan 12R13811; Lakeshore, being all of the Property Identifier Number 75010-0053(LT)</p> <p>(v) South half of Lot 17, Concession South Middle Road, Maidstone, except Part 3 on Plan 12R654; Lakeshore, being all of the Property Identifier Number 75025-0080(LT)</p>
10	South Shore BESS	Capstone Infrastructure Corporation	Up to 200 MW (BESS)	See Appendix D	<p>(i) Part of Lots 7 and 8, Concession South Middle Road, Maidstone, designated as Parts 4 And 5, Plan 12R27824; subject to an easement over Part 5, Plan 12R27824 as in R537222; together with an easement over Part 1, Plan 12R707 as n R567384; Town Of Lakeshore, being all of the Property Identifier Number 75013-0154(LT)</p> <p>(ii) Part of the North Half of Lot 8, Concession South Middle Road, Maidstone, as in R1498701, except R468633; together with R573343; Lakeshore, being all of the Property Identifier Number 75013-0022(LT)</p>

					<p>(iii) Part of the North Half of Lot 9, Concession South Middle Road, Maidstone, as in R199440, except R468633, R562540, designated as Part 1 on Plan 12R14599; Part 2 on Plan 12R24471; subject to R851108E; Town of Lakeshore, being all of the Property Identifier Number 75013-0139(LT)</p> <p>(iv) Part of the south half of Lot 6, Concession South Middle Road, Rochester, designated as Parts 1 & 4 on Plan 12R16014; subject to R526662; subject to an easement in gross over Parts 1 & 2 Plan 12R24810 as n CE505608;Town Of Lakeshore, being all of the Property Identifier Number 75023-0246(LT)</p> <p>(v) South half of Lot 17, Concession South Middle Road, Maidstone, except Part 3 on Plan 12R654; Lakeshore, being all of the Property Identifier Number 75025-0080(LT)</p>
11	Comber BESS Project	Liberty Power	50-250 MW (BESS)	SE Corner of CR 46 and Rochester Townline Road	<p>(i) Part of the North Half of Lot 1, Concession South Middle Road, Tilbury, designated as Part 2 on Plan 12R14411, except Parts 1 & 2 on Plan 12R19244; together with R561694; subject to TW16736; Lakeshore, being all of the Property Identifier Number 75060-0062(LT)</p> <p>(ii) Part of the North Half of Lot 1, Concession South Middle Road, Tilbury, designated as Parts 3 to 5 on Plan 12R14411; together with R561694; subject to R472988, TW16466 and TW16736; Lakeshore,</p>

					being all of the Property Identifier Number 75060-0063(LT)
12	Tilbury BESS Project	Liberty Power	20-70 MW (BESS)	2825 Essex Kent Road	Part of Lot 22, Concession 2, Tilbury, designated as Part 1 on Plan 12R5575 and Parts 1 to 11 on Plan 12R4334; subject to R426352, TN9054; Lakeshore, being all of the Property Identifier Number 75074-0174(LT)
13	Belle River BESS Project	Liberty Power	20-70 MW (BESS)	South and East of 414 Rourke Line Road / 523 West Belle River Road	Part of Lots 3 and 4, Concession 1 West Belle River, as in R106039, lying West of Belle River and Part 2, Plan 12R21966, save and except Part 1, Plan 12R21966; Lakeshore; subject to an easement over Part 2, Plan 12R21966 as in R19477; partially surrendered by R626145; subject to an easement in gross over Parts 1 to 9, Plan 12R26059 as in CE645177, being all of the Property Identifier Number 75030-0060(LT)
14	Essex BESS	PR Development LP, Essex Storage LP and Essex LP	50-350 MW (BESS)	2873 Lakeshore Road 245	Part of Lot 28 Concession 7 Rochester, as in RO12601; Lakeshore; subject to an easement in gross over Part 8 on Plan 12R26624 as in CE739538; subject to an easement in gross over Part 8 on Plan 12R26624 and Parts 3 & 4 on Plan 12R28707 as in CE1039596, being all of the Property Identifier Number 75056-0081(LT)
15	Southwest Ontario Energy Storage Project	Baseload Power LP and its IESO E-LT1 RFP Qualified Partner	200-500 MW (BESS)	0 CR 46, NE of Rochester Townline Road and CR 46	(i) Lot 15, Concession North Middle Road, Rochester; Part of Lots 14 & 16 Concession North Middle Road as in R1376883 (Secondly, Fourthly) surface rights only; Lakeshore, subject to interest as in R1376883, being all of the Property Identifier Number 75055-0086(LT)

					(ii) Lot 15 North Middle Road and Part of Lots 14 & 16 North Middle Road, Rochester as in R1376883 (Secondly, Thirdly, Fourthly) Lakeshore, mining rights only, save and except parts taken for highway widening as on Plans 130011 and 309003, being all of the Property Identifier Number 75055-0087(LT)
16	Belle River BESS 7	Belle River BESS 7 Limited Partnership	BESS	0 CR 27, CR 27 and Lions Club Road	Part of Lot 12, Concession 1, East of Belle River, Rochester, as in R295273 (Secondly), east of 12R725, except Parts 1 and 2 Plan 12R6575; Subject to R586338*; LAKESHORE *AMENDED 2002/02/14 BY LAND REGISTRAR #7, being all of the Property Identifier Number 75028-0102(LT).

Administration recommends that Council endorse the Battery Storage Proposals shown as Projects 2 -16 in the chart above.

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Regional Scan

The following municipalities have given MSR to companies that plan to apply for the IESO E-LT1 RFP.

- Windsor (Supported all 8 proposed projects, delegated authority to CAO for future projects)
- Municipality of Leamington (supported all the projects including an energy generation project)
- Town of Tecumseh (single project supported)
- Kingsville (single project supported)

Not yet considered:

- Chatham Kent

No known projects:

- Amherstburg
- Essex
- LaSalle

Location Considerations and Lakeshore Processes

The companies that are looking for a Municipal Support Resolution at this time have secured options on the land they are proposing to develop on. There are four appendices that inform the details of each of the 16 proposed projects.

Appendix A – MSR Request Form is the form that was shared with the companies to complete to request a MSR from Lakeshore Council.

Appendix B – MSR Request Form Responses is the collection of responses

Appendix C – MSR Request Project Location Map provides Council a visual representation of the projects.

Appendix D – Capstone Infrastructure Potential Locations

Lakeshore's Official Plan does not specifically recognize these types of energy storage facilities, as the proposals are a new type of technology. The Ministry of Environment, Conservation and Parks (MECP) has advised staff that they will be taking the projects through the Class Environmental Assessment (Class EA) process for Minor Transmission projects or Generation Facilities.

Lakeshore's Official Plan permits Transmission and Electricity Generation in agriculture areas so long as the Class EA has been completed.

Lakeshore OP Policy 7.5 h) "Electricity generation facilities and transmission and distribution systems shall be permitted in all land use designations, subject to the applicable Environmental Assessment process, and any other applicable legislation and/or regulations."

There is no specific use that covers BESS so the definition will need to be created, or amended to a similar defined use. Once the use has been defined, a Zoning Amendment would be needed to permit it. Community Planning recommends a site-by-site zoning amendment to allow for site specific public engagement.

Benefits of Battery Energy Storage Systems

1. Helps meet the upcoming urgent need for electrical capacity throughout southwestern Ontario, including Lakeshore.
2. Fully captures the energy transmission that is sent into the region, supporting peak usage when required and holding energy during low-demand periods.
3. Reduces the requirement for additional transmission lines by capturing the full transmission of existing lines.
4. Reduction of pollution by replacing the need for new carbon-based electrical capacity resources.
5. General economic benefit to Lakeshore and region
 - a. Projects will look first towards local labour, materials, and construction equipment
 - b. Electrical capacity will ensure economic viability of the region as a location to locate new and expanded business
 - c. Direct spending will support economic spin-offs
6. Municipality of Lakeshore will benefit directly from tax revenues and community benefit agreements

Potential Impacts of Battery Energy Storage Systems

Projects will be going through the Class EA process for Minor Transmission Projects or Generation Facilities. The following potential concerns will be addressed in the Class EA process: cultural heritage assessment, natural heritage assessment, noise assessment, land use planning, and archaeological assessment. Additionally, potential

impacts such as road impacts, traffic disruption, visual impacts, public safety, fire management and environmental contamination will need to be addressed throughout the development process.

Additionally, Site Plan Control will consider the following: setbacks from sensitive uses; decommissioning, elevations, land use, conformity to zoning bylaw and policies, and other off-site impacts.

Others Consulted

IESO

Financial Impacts

Administration has not yet received a firm response from MPAC related to assessment value and the subsequent tax rates and classification. Discussions with companies have indicated that they expect the tax rates to be the “Industrial” classification; however, there is no clarity on what the assessed value of each project will be.

Each successful proponent receiving a contract from IESO is expected to enter into a Community Benefits Agreement with the Municipality. The most likely arrangement to be established with the successful proponents is a sum of money per year, per megawatt, over the life of the project.

All successful applicants will be required to enter into a road user and maintenance agreement, ensuring that affected roads are maintained to previous standard.

Attachments

Appendix A – MSR Request Form

Appendix B – MSR Request Form Responses

Appendix C – MSR Request Project Location Map

Appendix D – Capstone Infrastructure Potential Locations

Report Approval Details

Document Title:	IESO Municipal Support Resolution Requests.docx
Attachments:	<ul style="list-style-type: none">- Appendix A -MSR Request Form.pdf- Appendix B - MSR Request Form Responses.pdf- Appendix C - MSR Request Map.pdf- Appendix D- Capstone Infrastructure Potential Locations.pdf
Final Approval Date:	Jan 5, 2023

This report and all of its attachments were approved and signed as outlined below:

Prepared by Ryan Donally

Submitted by Tammie Ryall

Approved by Justin Rousseau and Truper McBride