



Committee of the Whole Report

Report Number: PLAN2025-017
Meeting Date: March 4, 2025
Title: Provincial Energy Procurement
Description: Update on the province's energy procurement plans
Author and Title: Mark Jull, Policy Supervisor

Recommendations:

That Report PLAN2025-017, **Provincial Energy Procurement**, be received;

That Council consider energy procurement projects and issue written support through 'Municipal Resolution in Support of Proposal Submissions' on a case-by-case basis; and

That this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

Under the McGuinty provincial Liberal government, energy projects were exempt from municipal planning approval through the Renewable Energy Approval program. In 2013 the province announced that municipalities would not be forced to host wind projects.

In response, at the March 26, 2013 Regular Council Meeting, Council passed CR2013-299:

WHEREAS there are three (3) proposed industrial wind projects in the City of Kawartha Lakes (Sumac Ridge, Snowy Ridge and Settlers Landing); and

WHEREAS the Premier has stated that the Province will not force wind projects upon communities that are not willing hosts; and

WHEREAS our community is not a willing host;

THEREFORE BE IT RESOLVED THAT the City of Kawartha Lakes declares that it is 'not a willing host'; and

THAT this resolution be forwarded to the Premier, Minister of Energy, Minister of the Environment, Minister of Agriculture and Food, Minister of Rural Affairs, Doris Dumais, Director of Environmental Approval and Service Integration Branch of the Ministry of the Environment, MPP Laurie Scott and the Association of Municipalities of Ontario (AMO).

This resolution still has standing. Approval of a wind project would require current Council to address resolution CR2013-299.

In 2018, the Ford provincial Progressive Conservative government cancelled renewable energy projects in favour of expanding natural gas infrastructure and promoting nuclear energy.

In 2024, the province began shifting its stance on renewables as it became apparent that a significant amount of energy would be needed to meet increasing demand. In August 2024, the province announced plans to procure up to 5,000 megawatts (MW), of energy, stating they are “agnostic” to how the energy is procured, meaning it could be solar, wind, nuclear, hydro, natural gas, biofuel, etc. They also stated that any energy project would need written support from the host by resolution.

In this context, Councillor Warren brought a memorandum and accompanying motion to the Committee of the Whole Meeting on September 10, 2024 (COW2024-07.8.1):

Moved By Councillor Warren

Seconded By Councillor Perry

That the Memorandum from Councillor Warren, **regarding the City of Kawartha Lakes Becoming a Willing Host for Solar and Wind Developments**, be received;

That Staff report back, first quarter 2025 on changes to the Provincial Renewable Energy Program and procurement of new projects;

That the report includes information and options for council to reconsider being a “Willing Host” for solar and/or wind developments, natural gas or biomass; and

That this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Councillors raised concerns regarding the impacts of wind projects, and the motion failed.

Councillor Warren brought a revised motion to Council on September 24, 2024. Council adopted the following resolution:

CR2024-476

Moved By Councillor Warren

Seconded By Councillor Perry

That Staff report back to Council by the end of Q1, 2025 on changes to the Provincial Renewable Energy Program and the procurement of new projects; and

That the report back includes information and options for Council to consider.

This report addresses resolution CR2024-476.

Energy Procurement Update

The Independent Electricity System Operator ('IESO') planned for two phases of energy procurement: Long Term Phase 1 (LT1) and Long Term Phase 2 (LT2). LT1 was completed in late 2023 and resulted in procuring energy from methane (natural gas) and anaerobic digestion (biogas). LT2 intends to develop 5,000 megawatts from a variety of sources to meet energy needs to 2050. It began December 2023 with stakeholder engagement (<https://www.ieso.ca/Sector-Participants/Engagement-Initiatives/Engagements/Long-Term-RFP-Community-Engagement>) including webinars for municipal staff and First Nations, with the most recent being November 13, 2024. Additional sessions are not scheduled at this time. The LT2 procurement is to seek projects that produce energy (renewable to non-renewable) or store energy (such as battery storage systems).

Draft documents for the LT2 process should be available by end of March 2025, and include RFP and contract forms. The LT2 will have annual intakes from 2025 to 2029.

On November 27, 2024 the province identified Port Hope as a potential site for a new nuclear power plant. In January 2025, the province provided an update to state that consultations with First Nations and the Municipality of Port Hope are proceeding and that the plant would be the largest in Ontario, generating 8,000 to 10,000 megawatts, far exceeding the stated need of 5,000 megawatts under the LT2 procurement process. The excess could potentially be exported to the US. Should the project proceed, it would be constructed in the 2030s and completed in the 2040s.

Association of Municipalities of Ontario Guidance Resources

On February 7, 2025, the Association of Municipalities of Ontario (AMO) published resources for both municipalities and energy developers regarding LT2.

The **Municipal Energy Procurement Toolkit** at Appendix A to this report provides information and guidance for municipalities. Highlights are provided below:

- Energy project developers are to reach out to municipal staff for a "Pre-Engagement Confirmation." This allows staff and the proponent to discuss the necessary approvals, timelines, public engagement, and any other requirements. It would also afford staff the opportunity to advise if a proposed project is not viable within the municipality.

- If an energy developer wishes to pursue a project, then would need explicit, written permission from the municipality. These are referred to as “Municipal Resolution in Support of Proposal Submission” (MRSPS). The province will not move forward with an energy project without written support from the host municipality.
- Should the City provide a support resolution, there are then a series of “downstream approvals” that would be needed. These could include Planning Act approvals (i.e. official plan amendments, zoning bylaw amendments, site plan approval), Conservation Authority permits, etc. depending on the specifics of the individual project.
- Throughout the process, the proponent would be expected to work in collaboration with the City to deliver public engagements to the City’s satisfaction. The City must confirm that engagement has taken place as part of a MRSPS.

Support Resolutions:

As noted above, should an energy developer wish to pursue an energy project in the City of Kawartha Lakes, they would need to receive written support from the City (i.e. the MRSPS). It is important to note that the MRSPS is a moment-in-time expression of support; they are not binding final approvals and do not guarantee the province would award a contract. Typically, these MRSPS would be issued on a case-by-case basis via resolution from Council. This process provides Council with oversight of each potential energy project.

As noted in the AMO Toolkit, there is an option for Council to pass “blanket resolutions.” These resolutions would provide support for various types of projects (wind, solar, gas, etc.) and delegate decisions to staff. Criteria outlined could include what types of projects will and/or will not be considered. Staff would then determine if a proposal meets the criteria of the blanket resolution and issue the MRSPS without a Council resolution.

While the blanket resolution is an option available to Council, at this time, staff are not recommending that Council proceed with a blanket resolution. Due to the relative newness of the LT2 procurement process and the contentious history of energy projects in the municipality, staff recommend that Council consider projects and issue written support through the MRSPS via Council resolution on a case-by-case basis.

Community Benefits:

As with other developments within municipalities, host municipalities may incur costs such as new roads, emergency services, or other infrastructure. Developments may also bring financial benefits such as property tax assessment increases, employment opportunities, or other economic spinoffs.

As detailed in AMO's Toolkit municipalities are increasingly looking into "community benefit agreements" which are a means to secure financial benefits for cost recovery and/or community investment. There are no standards or official guidance and so the AMO Toolkit advises retaining legal counsel should the City wish to negotiate with an energy developer for community benefits. Should an agreement be reached, these would be enshrined in written support through the MRSPS for the project.

Wind Projects and Council Procedure:

CR2013-299 identifying the municipality as an unwilling host for wind projects currently has standing as a Resolution of Council. If a wind project were to be proposed and Council wished to support it, the MRSPS would need to note that support exists irrespective of CR2013-299. Alternatively, Council may also choose to rescind CR2013-299, and accordingly would no longer need to acknowledge CR2013-299 when receiving wind project proposals. Should Council wish to rescind the resolution, then the following would need to be added to the report recommendation:

That Council Resolution CR2013-299 be rescinded.

Other Alternatives Considered:

No other alternatives considered.

Alignment to Strategic Priorities

The 2024-2027 Strategic Plan identifies the following Priorities:

1. A Vibrant and Growing Economy

Energy projects could provide the City of Kawartha Lakes with community benefits and local investment.

2. An Exceptional Quality of Life

Energy projects may provide additional revenue sources for the City to utilize in improving community services.

3. A Healthy Environment

Environmental sustainability would be promoted for any proposed energy project. This may include the production of energy through non-emitting sources and/or mitigation of local negative externalities throughout the projects lifecycle.

4. Good Government

Energy projects will create a higher order, more efficient use of rural lands. Energy produced locally may provide more efficient service delivery and better customer experience.

Financial/Operation Impacts:

None

Servicing Implications:

None

Consultations:

City Solicitor

Attachments:

Appendix A – AMO Municipal Energy Procurement Toolkit



AMO MEP Toolkit.pdf

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