

ADMINISTRATIVE REPORT

Subject: SB Energy US Holdings One, Bioveld Energy Ventures and Brothers Marketing Inc request for resolution from town council supporting the development of a battery energy storage facility at the Lagoon property

Date: October 11, 2022

To: Mayor & Council

From: Cody Vangel, Chief Building Official / Municipal Planner



ISSUE:

Consideration whether to pass a resolution providing support for a potential green-energy project located at the locally known Lagoon Property, being a Battery Energy Storage System project, as requested through deputation on behalf of SB Energy US Holdings One, Bioveld Energy Ventures and Brothers Marketing Inc at the September 12, 2022 meeting of the Committee of the Whole of the Town of Fort Frances.

ADMINISTRATIVE RECOMMENDATION:

THAT Council of the Town of Fort Frances approve Report # AR-22-0058 and pass the following resolution of support related to the proposed Battery Energy Storage System project at the locally known Lagoon Property:

[WHEREAS]:

1. The Proponent is proposing to construct and operate a Long-Term Reliability Project, with the characteristics outlined in the table below, under the E-LT1 RFP.

Name of the Long-Term Reliability Project:

Fort Frances Energy Storage

Proponent:

SB Energy US Holdings One and its affiliates

Technology of the Long-Term Reliability Project:

Battery Energy Storage System

Maximum Contract Capacity of the Long-Term

150 MW

Reliability Project (in MW):

Legal description of the portion of the Project Site that is located on lands subject to the authority of one or more Municipalities:

PCL BLK 1-4 SEC SM49; FIRSTLY, BLK 1 PL SM49 MCIRVINE; BLK 2 PL SM49 MCIRVINE; BLK 3 PL SM49 MCIRVINE; SECONDLY, PT SEC 29 MCIRVINE PT 1, 48R3176, SURFACE RIGHTS ONLY AS PT 2, 48R3176; THIRDLY, PT HUDSON BAY COMPANY RESERVE MCIRVINE PT 3, 48R3176; FOURTHLY LT 1 PL SM145 MCIRVINE SURFACE RIGHTS ONLY; LT 2 PL SM145 MCIRVINE; LT 3 PL SM145 MCIRVINE EXCEPT PT 1, 2 & 3, 48R3385; LT 4 PL SM145 MCIRVINE; LT 5 PL SM145 MCIRVINE; LT 6 PL SM145 MCIRVINE & LT 7 PL SM145 MCIRVINE, EXCEPT PT 4, 48R3385 FIFTHLY SE1/4 SEC 29 MCIRVINE EXCEPT PT 5,

SB Energy US Holdings One, Bioveld Energy Ventures and Brothers Marketing Inc request for resolution from town council supporting the development of a battery energy storage facility at the Lagoon property

48R3385; FORT FRANCES (the “Municipal Lands”)

2. Pursuant to the E-LT1 RFP, Proposals that receive the formal support of the local jurisdictional authorities of all the project communities in which the Long-Term Reliability Project is located in the form of a support resolution will be awarded Rated Criteria points for the purpose of ranking the Proposal in relation to other Proposals for a contract under the E-LT1 RFP;
3. Pursuant to the E-LT1 RFP, Proposals that did not receive the formal support of the local jurisdictional authorities of all the project communities in which the Long-Term Reliability Project is located in the form of a support resolution may be required under the E-LT1 Contract to be awarded pursuant to the E-LT1 RFP to submit such support resolution for compliance with its obligations; and
[NOW THEREFORE BE IT RESOLVED THAT]:
4. The council of the Town of Fort Frances supports the development, construction and operation of the Long-Term Reliability Project on the Municipal Lands.
5. This resolution's sole purpose is to enable the Proponent to receive Rated Criteria points under E-LT1 RFP or to satisfy its obligations under any awarded E-LT1 Contract and may not be used for the purpose of any other form of approval in relation to the Proposal or Long-Term Reliability Project or for any other purpose. Rated Criteria points will be used to rank the Proponent's Proposal in relation to other Proposals received by the IESO under the E-LT1 RFP.
6. Though this resolution may impact the rank of the Proponent's Proposal in relation to other Proposals received by the IESO, it does not guarantee a contract will be offered to the Proponent under the E-LT1 RFP.

[DULY RESOLVED BY THE TOWN OF FORT FRANCES]

on the 11th day of October, 2022

STRATEGIC IMPACT:

1. Attracting new industry and attracting investment for local business development.
16. Mitigate risks of climate change

OPTIONS & ALTERNATIVES:

1. Approve resolution as presented;
2. Amend resolution and approve; or
3. Decline to provide resolution of support.

HISTORY:

- Council will recall the [deputation presentation](#) provided at the September 12, 2022 meeting of the Committee of the Whole, where SB Energy US Holdings One, Bioveld Energy Ventures and Brothers Marketing Inc. requested a resolution of support for a potential green-energy project located at the locally known Lagoon Property, being a Battery Energy Storage System project.

SB Energy US Holdings One, Bioveld Energy Ventures and Brothers Marketing Inc request for resolution from town council supporting the development of a battery energy storage facility at the Lagoon property

- Council will also recall the approval of [Zoning By-law 03/14-AC](#) on June 13, 2022 where a Battery Energy Storage System (BESS) was approved as a site-specific permitted use on the locally known Lagoon Property.

ANALYSIS:

SB Energy US Holdings One, Bioveld Energy Ventures and Brothers Marketing Inc. are in the process of submitting a proposal to the Independent Electricity System Operator (IESO) related to renewable energy projects. This group will be submitting in regard to a potential proposed Battery Energy Storage System at the locally known Lagoon Property.

As part of the proposal process, the IESO may provide Rated Criteria points to Proponents of the application process if they obtain support from the Local Municipality. The IESO has provided a template resolution for municipalities who wish to provide support, or they also accept other configurations of resolutions of support. The template resolution has been attached.

Council will also recall the approval of Zoning By-law 03/14-AC on June 13, 2022 where a Battery Energy Storage System (BESS) was approved as a site-specific permitted use on the locally known Lagoon Property. The passing of this by-law will act as support for the recommendation provided in this report.

CONSULTATION:

- BMI Group

SUPPORTING DOCUMENTS:

[By-Law 03-14 AC to amend 03-14 Zoning By-Law - 1229 Cornwall Ave Lagoon Property](#)
[IESO Municipal Support Resolution Format](#)

THE CORPORATION OF TOWN OF FORT FRANCES

BY-LAW NO. 03/14 – AC

(Being a By-Law to amend Zoning By-Law #03/14, as amended – 1229 Cornwall Avenue (Lagoon Property))

WHEREAS 2670568 Ontario Limited is the registered and beneficial owner (the “Owner”) of the property (the “Property”) municipally known as 1229 Cornwall Avenue, Fort Frances, Ontario, and legally described as PCL BLK 1-4 SEC SM49; FIRSTLY, BLK 1 PL SM49 MCIRVINE; BLK 2 PL SM49 MCIRVINE; BLK 3 PL SM49 MCIRVINE; SECONDLY, PT SEC 29 MCIRVINE PT 1, 48R3176, SURFACE RIGHTS ONLY AS PT 2, 48R3176; THIRDLY, PT HUDSON BAY COMPANY RESERVE MCIRVINE PT 3, 48R3176; FOURTHLY LT 1 PL SM145 MCIRVINE SURFACE RIGHTS ONLY; LT 2 PL SM145 MCIRVINE; LT 3 PL SM145 MCIRVINE EXCEPT PT 1, 2 & 3, 48R3385; LT 4 PL SM145 MCIRVINE; LT 5 PL SM145 MCIRVINE; LT 6 PL SM145 MCIRVINE & LT 7 PL SM145 MCIRVINE, EXCEPT PT 4, 48R3385 FIFTHLY SE1/4 SEC 29 MCIRVINE EXCEPT PT 5, 48R3385; FORT FRANCES.

AND WHEREAS the Owner appointed Mitch Lepage (the “Agent”) to act as the Agent for the rezoning application.

AND WHEREAS the Property’s current zoning is Waste Disposal Industrial (M3).

AND WHEREAS the Agent has, submitted an application (the “Application”) to amend the Zoning By-Law 03/14, as amended (the “Zoning By-Law”) to add the following site-specific permitted uses on the Property, while retaining the existing Waste Disposal Industrial (M3) zoning designation:

- To add a site-specific permitted use for Industrial Scale Computing;
- To utilize sea-cans or containers converted to Buildings and/or a constructed structure to house the Industrial Scale Computing equipment;
- To add a site-specific permitted use for the establishment of a 150 MW Solar Farm to produce solar energy and/or feed into the electrical grid;
- To add a site-specific permitted use for Transmission of electricity, including infrastructure (towers and lines);
- To add a site-specific permitted use for Electric substations; and
- To add a site-specific permitted use for Battery Energy Storage System (BESS)

AND WHEREAS the Municipality deems it desirable to amend the Zoning By-Law to add the listed site-specific permitted uses, in part, on the Property, subject to additional provisions and conditions, while retaining the existing Waste Disposal Industrial (M3) zoning designation.

AND WHEREAS in accordance with *Section 34(12) of the Planning Act*, a Public Meeting was held on Monday April 11, 2022 to consider the subject Zoning By-Law Amendment, with adequate notice provided to the public according to Ontario Regulation 545/06 and Section 34(14.1) of the Planning Act on March 10, 2022.

AND WHEREAS at its meeting held Tuesday May 24, 2022, Council approved the report of the Municipal Planner, supported by recommendations from the Planning and Development Executive Committee and the Committee of Adjustment, that the application be approved in part subject to certain provisions and conditions.

NOW THEREFORE the Council of the Corporation of the Town of Fort Frances **HEREBY ENACTS** as follows:

1. That the following permitted uses be defined as follows, and added as site-specific permitted uses on the Property:

Industrial Scale Computing: The use of premises for the purpose of housing computer systems that collect, maintain, store, and/or process data for profit. Typical uses include but are not limited to blockchain/cryptocurrency mining and data centres.

Solar Farm: Up to 150MW of Photo Voltaic Solar Generation utilizing either a fixed mounting or a variable tracking system.

Transmission of electricity, including infrastructure (towers and lines):

Transmission is an interconnected group of lines and associated equipment for the movement or transfer of electric energy between points of supply and points at which it is transformed for delivery to customers or is delivered to other electric systems.

Electric substations: A facility for switching electrical elements, transforming voltage, regulating power, or metering.

Battery Energy Storage System (BESS): A type of energy storage that uses a group of batteries to store electrical energy.

2. That the Property be designated as a Site Plan Control Area requiring a site plan agreement, authorized by Council, prior to commencing any further development on the Property.
3. That the **Solar Farm, Transmission of electricity, Electric substations, and Battery Energy Storage System** uses be approved and subject to the existing regulations of permitted uses in the Waste Disposal Industrial zone as outlined in subsection 4.14.2 of the Zoning By-law.
4. That **Industrial Scale Computing** and its associated components be approved, in part, subject to the following provisions and conditions:
 - a. THAT a noise mitigation study and noise mitigation plan among other potential studies be required as part of the site plan control agreement; and
 - b. THAT if sea-cans (storage containers) are used to house the equipment, they not be allowed to stack on top each other; and
 - c. THAT the structures, associated components, and operations associated with the **industrial scale computing** be located not closer than 300m to any surrounding residential use or residential zoned properties, and further that this use be located not closer than 850m to McIrvine Road and Eighth Street West; and
 - d. THAT the Owner provide documentation from the MOECP stating whether an Environmental Compliance Approval will be necessary for this use as a requirement of the site plan control agreement; and
 - e. THAT the site plan control agreement outlines requirements for compliance with all regulatory body guidelines, statutes and regulations including but not limited to those specifying noise outputs; and
 - f. THAT the site plan control agreement contains verbiage and requirements for ongoing noise monitoring as well as enforcement provisions to ensure compliance with all regulatory requirements; and
 - g. THAT the noise mitigation consultant hired by the Owner or the Owner's agent, consult with the Town of Fort Frances for input on the noise mitigation study and plan; and
 - h. THAT all costs associated with the site plan control agreement, development, studies and others determined, be at the cost of the Owner or the Owner's agent.

ENACTED and PASSED this 13th day of June 2022



Jane Caul

J.Caul, Mayor

G. Lecuyer

G. Lecuyer, Clerk

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

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

INSTRUCTIONS APPLICABLE TO ALL PRESCRIBED FORMS:

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

- j. With the exception of this instruction page, instructions within a Prescribed Form will be enclosed in brackets.

INSTRUCTIONS SPECIFIC TO THIS PRESCRIBED FORM:

- k. To be awarded Rated Criteria points pursuant to Section 4.3(d) of the E-LT1 RFP, a Proponent is to complete and submit in the Proposal a) the main body of this Prescribed Form and b) the applicable evidence of Municipal Support Confirmation, as indicated in Section 2, from each Local Municipality with authority over the Municipal Lands.
- l. The applicable evidence of Municipal Support Confirmation must be dated no earlier than January 27, 2022.
- m. Councils of Local Municipalities have the option of using the Municipal Support Resolution using the form of Municipal Support Resolution provided Appendix A, should they so choose. Alternatives to the Municipal Support Resolution are a Municipal Support Confirmation Letter or a Blanket Municipal Support Resolution.

GUIDANCE FOR MUNICIPALITIES:

The IESO is undertaking the E-LT1 RFP to competitively procure year-round capacity from dispatchable New Build and Eligible Expansion resources, including New Build and Eligible Expansion facilities incorporating Electricity generation and storage, registered or able to become registered in the IESO Administered Markets, larger than one (1) MW and which can deliver a continuous amount of Electricity to a connection point on a Distribution System or Transmission System for at least four (4) consecutive hours during the Qualifying Hours.

The E-LT1 RFP provides Proponents with the opportunity to obtain Rated Criteria points, which will be used to more favourably position the Proposal in the E-LT1 RFP evaluation process. Three (3) Rated Criteria points are available for evidence of having obtained support from each Local Municipality in whose jurisdiction(s) the Long-Term Reliability Project is proposed to be located.

Should a Local Municipality wish to support a particular Long-Term Reliability Project, a group of Long-Term Reliability Projects, or one or more particular technology types, they must either pass a Municipal Support Resolution (project-specific) or a Blanket Municipal Support Resolution or formally delegate the issuance of a Municipal Support Confirmation Letter (project-specific) to the Chief Administrative Officer, or equivalent.

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

- (A) identify:



Connecting Today.
Powering Tomorrow.

120 Adelaide Street West

Suite 1600
Toronto, Ontario M5H 1T1
T 416-967-7474
F 416-967-1947

www.ieso.ca

Prescribed Form – Evidence of Municipal Support
LT.RFP@ieso.ca

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

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

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

Legal name of the Proponent:	<Enter legal name of the Proponent>
Name of the Long-Term Reliability Project:	<Enter name of the Long-Term Reliability Project>
Unique Project ID of the Long-Term Reliability Project:	<Enter Unique Project ID>
Legal description of the Municipal Lands	<insert PIN(s) (if a PIN is not available, use legal description) or Grid Cell(s), if applicable>
List of all Local Municipalities with authority over the Municipal Lands:	Local Municipality 1: <insert name of the Local Municipality> Local Municipality 2 (if applicable): <insert name of the Local Municipality>

Section 2 – Municipal Support Confirmation

The form of Municipal Support Confirmation used for Local Municipality 1 named above in Section 1(e) is:	<input type="checkbox"/> Municipal Support Resolution dated no earlier than January 27, 2022 OR <input type="checkbox"/> Municipal Support Confirmation Letter dated no earlier than January 27, 2022 OR <input type="checkbox"/> Blanket Municipal Support Resolution dated no earlier than January 27, 2022
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The form of Municipal Support Confirmation used for Local Municipality 2 (if applicable) named above in Section 1(e) is:

☐ Municipal Support Resolution dated no earlier than January 27, 2022

OR

☐ Municipal Support Confirmation Letter dated no earlier than January 27, 2022

OR

☐ Blanket Municipal Support Resolution dated no earlier than January 27, 2022

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

PROPONENT NAME: _____

Per: _____

Print Name:

Print Title:

(I have authority to bind the Proponent)

Date Signed:

EXHIBIT A
FORM OF MUNICIPAL SUPPORT RESOLUTION

Resolution NO: _____ Date: _____

[Note: The Municipal Support Resolution must not be dated earlier than January 27, 2022.]

[WHEREAS]:

1. The Proponent is proposing to construct and operate a Long-Term Reliability Project, with the characteristics outlined in the table below, under the E-LT1 RFP.

Name of the Long-Term Reliability Project:	<insert name of Long-Term Reliability Project>
Proponent:	<insert legal name of the Proponent>
Technology of the Long-Term Reliability Project:	<insert Technology of the Long-Term Reliability Project>
Maximum Contract Capacity of the Long-Term Reliability Project (in MW):	<insert the Maximum Contract Capacity of the Large Renewable Project in MW>
Legal description of the portion of the Project Site that is located on lands subject to the authority of one or more Municipalities:	<insert the applicable description> (the " Municipal Lands ")

2.

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

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

[NOW THEREFORE BE IT RESOLVED THAT]:

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

[DULY RESOLVED BY THE LOCAL MUNICIPALITY]

on the __ day of _____, 20__

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